

CONSUMERS **ZAP** THE CABLE COMPANIES  
CANADA'S WEEKLY NEWSMAGAZINE JANUARY 16, 1995 \$3.50

# Maclean's

## THE WAR ON

# FAT



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**AND GOOD ALTERNATIVES**



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## Maclean's

CANADA'S WEEKLY NEWSMAGAZINE  
JANUARY 18, 1995 VOL. 108 NO. 3

### CONTENTS

#### 3 EDITORIAL

#### 4 LETTERS

#### 5 OPENING NOTES/PASSAGES

#### 9 COLUMN: DIANE FRANCIS

#### 10 CANADA

A psychiatrist says accused mass murderer Roger Warren has a propensity for conducting to-crimes he did not commit, a motive has revealed in Toronto. Saskatchewan's former Robert Latimer prepares to appeal his 30-year sentence for killing his daughter Tracy.

#### 13 BACKSTAGE OTTAWA: ANTHONY WILSON-SMITH

#### 20 WORLD

After two decades of civil war, Angolans are hoping that 1995 will bring a lasting peace; a wave of four strikes U.S. abortion clinics.

#### 26 BUSINESS

Mexican officials are struggling to calm international markets and to restore order after the peso's free fall.

#### 45 THE NATION'S BUSINESS: PETER C. NEWMAN

#### 46 COVER

#### 53 PEOPLE

#### 54 HISTORY

A Canadian historian stands at the centre of a controversy over an atomic bomb exhibit at a Washington museum.

#### 56 SPORTS

The Canadian jokers give local hockey fans something to cheer about: their third straight world title.

#### 57 SPORTS WATCH: TRENT FRATINI

#### 60 FILMS

Philip Doran's *Far From Home: The Adventures of Yellow Dog*.

#### 61 BOOKS

#### 62 MUSIC

Michael Lemos is in a long demand for his award-winning stage designs, the *Montelassio Chair* celebrates 100 years of song.

#### 64 FOOTERBHAM

McGraw-Hill's Maclean's magazine will change its address from 1000, 1100, 1200, 1300, 1400, 1500, 1600, 1700, 1800, 1900, 2000, 2100, 2200, 2300, 2400, 2500, 2600, 2700, 2800, 2900, 3000, 3100, 3200, 3300, 3400, 3500, 3600, 3700, 3800, 3900, 4000, 4100, 4200, 4300, 4400, 4500, 4600, 4700, 4800, 4900, 5000, 5100, 5200, 5300, 5400, 5500, 5600, 5700, 5800, 5900, 6000, 6100, 6200, 6300, 6400, 6500, 6600, 6700, 6800, 6900, 7000, 7100, 7200, 7300, 7400, 7500, 7600, 7700, 7800, 7900, 8000, 8100, 8200, 8300, 8400, 8500, 8600, 8700, 8800, 8900, 9000, 9100, 9200, 9300, 9400, 9500, 9600, 9700, 9800, 9900, 10000.

## The war on fat

46 For all those Canadians who have resolved to finally start eating right, the time is now. Nutrition experts say they have some the fish, and it is low-fat. Consumers are snapping up low-fat cookbooks and food products, poring over often-confusing labels that promise "light" or "cholesterol-free"—and fighting the lure of brownies and bacon and eggs.



## Rogers gets zapped

26 Vocal consumer protest has forced Rogers Cablevision to restructure the way it will offer new specialty cable channels to Canadian subscribers. By trying to appease its angry viewers, however, the company will take a \$30-million hit.

## Yeltsin's gamble

20 Only a few months ago, senior Russian officials were boasting of how easy it would be to crush a simmering revolt in the predominantly Muslim southern region of Chechnya. They now know they were mistaken—and Boris Yeltsin's presidency may turn out to be one of the biggest casualties of the ill-fated invasion.





# The Bundle Bungle

It was reminiscent of the controversial launch of New Coke in Atlanta, but not quite as there with the failure of the Fordina racer car in New Brunswick. It certainly produced one of the most real consumer results in modern Canadian history and, even before it was over, the industry leader got ragged. The product was a new cable television service. The issue was a federally approved scheme that allowed companies to boost their rates while expanding the number of Canadian specialty channels by seven. Trouble was, the dominant company in the field, Rogers Cablevision Ltd., drastically increased the mood of its 2.6 million subscribers.



Rogers' control centre: the industry leader got ragged

Not only did Rogers propose to channel the expanded service to any home unless the customer opted into the no-added charges option—the company also bundled popular old services, notably TSN and A&E, with new channels in such a way that consumers were faced with pay higher rates even if they did not want the extra services. But last week, Rogers' move, in the face of an onslaught of complaints, that the new bundle was a big bungle.

The move offering more in the form of a partial withdrawal. While continuing its negative price approach, Rogers announced it will allow customers to reject the new package but keep their existing specialty channels for a modest, previously approved, 70-cent increase per month. Clearly, money was not the only issue. To get the seven new channels being offered, consumers were being asked to ante up \$3.91 per month—or, over a year, less than the cost of one top NHL seat. These seven new channels, on the basis of the first days of previews, promised

fair leaders or, generally, the country's elite. In a year-end Decision Research poll in Maclean's, 49 per cent of respondents reported that a pay raise. And the majority of those people said the reason was that "votes do not represent the interests of average Canadians." Presumably, since Ted Rogers' giant Rogers Communications Inc., which has just completed an \$8.3-billion takeover of Maclean's parent Laidlaw Ltd.—and this response—is as vulnerable to the prevailing pay issue as its Finance Minister Paul Martin, who is said to be contemplating a tax increase and a pension-cuts bill on 800 accounts. Reflecting a prevalent attitude in Ottawa, Liber at 101, Ontario 101 and last week that if there's got to be a February but got, "Canadians will complain for a few minutes, and then they'll roll over."

MEMO TO PAUL MARTIN CALLED ROGERS.

*Robert Louis*

## Maclean's

CANADA'S WEEKLY NEWSMAGAZINE



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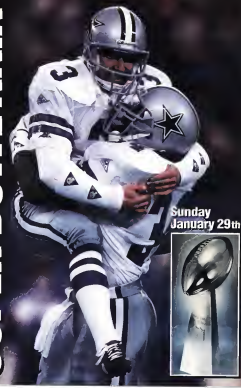
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SUPER BOWL XXXIX



Sunday  
January 29th



January 29, Joe Robbie Stadium, Miami. It all comes down to this: Two teams battle for the right to be called Super Bowl champions. Photos from more than 100 countries will be turned in to one of the world's premier sporting events. You can experience Super Bowl Sunday at the CanWest Global System, combined with stations across Canada deliver Super Bowl XXXIX.

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## Surprising statistics

I was very disturbed by the effects findings of the *Maclean's*/CTV poll ("Looking inward," Cover, Jan. 21), which indicated that a significant percentage of students and other young Canadians do not place much value on being seen. I am still in a position where I have people, and I had these statistics before me. I would have difficulty believing anything a young candidate told me. And I would be very reluctant to have any of these people in my shop. It is not a reassuring prospect to realize the day when these powerful voices are muting our industry and our country.

G. V. Estravolder,  
Sidney, B.C.

The most interesting result from your poll of Canadian attitudes was that 58 per cent of us were opposed to being denied a pension because the job had to go to a member of a minority group, and that another 27 per cent would only "grudgingly accept" such a decision. Unfortunately, this was not explored any further. But if you want to understand the increasing hostility to new immigrants and racial minorities, look at government-sponsored racism. In trying to justify employment policies, the government subjects the Canadian people to Orwellian doublethink. To quote the 1978 Federal Report of the Special Committee on the Review of Personnel Management and the Merit Principle: "It has been said before that in order to treat some people equally we must treat them differently." As an increasing number of qualified people are denied work because of their race, color or gender, tensions will increase—with a complete distortion of the political system. A quote is coming:

Daniel Silver,  
Toronto

As a member of the "best generation" I was surprised and disappointed to discover that 82 per cent of Canadians agree or strongly agree that "the next generation will probably not be as dedicated as hard work as we were previous generations." I have attended university for five years (currently working on my second degree), and for the first four years not only did I carry a full course load, but I also worked about 40 hours a week at various jobs—as a salesclerk, as editor, as a university newspaper, as a graphic artist and as office manager. And despite this work experience (and a B.Sc. final grade point average), I will do coursework down the street if I find a job that pays over \$26,000. My mother's cousin, who graduated in 1977 with ex-

actly the same degree that I will have soon, started in an entry-level accounting job at \$22,000 per year. Considering that the cost of living has more than doubled since 1977, the next generation will be doing the same work for less money (if the "previous generation" finds this isn't dedication to hard work, then I don't know what else we can do to prove them wrong).

Tim Chey,  
Winnipeg, SK

## Never say never

There was something familiar about one of Mahabub Mahab's statements in your article "The last man?" (Spectrum, Dec. 22). The chairman of a dangerous virus warning from the Endocrine, Oct. 10, said that he was anyone, said Mahab, the scientist in charge of the lab, "are also. They are all. This laboratory is totally safe." Fifty-three years ago, the postscript British shrapnel trial journal *The Shipwreck* made the much less confident but equally incorrect claim that the Titanic was "practically unsinkable." I suppose we just don't learn.

Peter Crink,  
Vancouver

## More bloopers

Please ask Peter C. Newman to his own list of "the best of the year 1994 bloopers" (The "New" edition, Jan. 21). The paragraph "You had to be there" is an interesting piece about New Zealand politics. Unfortunately, this item is a few years too late, as prime minister Robert Muldoon died of the New Zealand Parliament in 1992, and died in 1992. For him to have participated in

this exchange in 1994 would indeed have been the "Peak of the year."

Gem Murray,  
Kamloops, B.C.

Peter C. Newman's own "Peak of the year" should be to issue a prompt and sincere apology to the Denver family and the city of Belleville, Ont. Wally Denny served his community throughout his life and was one of the most highly respected citizens to ever sit on city council. I was disgusted by Newman's callous use of Denny's widow's death as an excuse to fill out his half-buff review of political polls in 1994.

Lyle Fawcett, M.P.,  
Prince Edward/Hastings,  
Belleville, Ont.

## Imaginative names

I was intrigued to read of the imaginative use of the Internet in the article by David Fawcett ("The poll of the Prayers," Opening Notes, Jan. 21). His clever electronic pseudonym, *Saskatchewan*, made me think about other possible pseudonyms: *British Columbia—B.C. Jay Nov, Ontario—Ont. Ontario, Alberta—Alberta Band, Quebec—Quebec-Quebec, Newfoundland—Newfoundland, Nova Scotia—Nova Scotia, Prince Edward Island—P.E.I. Prince*

Paul F. McKenna,  
Edmonton, Ont. SK

## 'Brain drain'

In past years, *Maclean's* has selected few Canadian researchers, despite Nobel Prize-winning work, for its annual Honor Roll. Now, the editors take a most interesting attitude by selecting an expatriate Canadian, Oliver Harley ("The 1994 Honor Roll," Cover, Dec. 26), thus giving their implicit blessing to the brain drain of Canada. Ever consider is the fact that *Maclean's* obviously felt there was not a researcher left in Canada worthy of the award. As an expatriate myself, I find it painful when Canadians cannot tell worth while work in their own country, only to be recognized for their achievements after they leave. Might not Canadians be prouder if Harley could have won this award in Canada?

Dr. Terence A. Wynn,  
Chathamville, Va. J.C.

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## THANKS...

Law-abiding gun owners fully support the federal government's plans to bring in tough, new crime control measures, including:

- ✓ Four-year minimum sentences for anyone convicted of using a firearm to commit a crime.
- ✓ Up to 10 years in jail for criminals caught smuggling firearms.
- ✓ Increased law enforcement at Canada's borders to crack down on smuggling of illegal firearms.
- ✓ New jail sentences for criminals caught with stolen firearms.
- ✓ New jail sentences for criminals who use imitation or replica firearms.

## BUT NO THANKS

The federal government's proposed gun control measures will not reduce crime. These measures will only handcuff police forces with needless bureaucracy and leave taxpayers and law-abiding gun owners paying a steep price.

- ✗ A national firearms registration system will cost taxpayers hundreds of millions of dollars. If the government is serious about fighting crime, that money should be invested in our country's overworked and underfunded police forces. Criminals won't bother registering their firearms or themselves. A registry will only tell police who's obeying the law and who isn't a threat to society.
- ✗ A ban on over half of all handguns in Canada won't convince criminals to stop off at police detachments to turn in their handguns. Only law-abiding handgun owners, who must already register their firearms and follow strict guidelines, will be sacrificing their handgun collections and cherished family heirlooms.

The federal government is promising the crime control measures we've been requesting for decades. But no one — not taxpayers, police forces or lawful firearms owners — can afford more ineffective and costly gun control measures. The time, effort and money spent targeting law-abiding citizens would be better spent fighting crime. Canadians deserve better than what the federal government's proposing.

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For more information, watch *The Angler & Hunter* television series (check your weekend television listings for channels and times) or write to the Ontario Federation of Anglers and Hunters at Box 2800, Peterborough, Ontario, K7J 8L5, fax (705) 748-9577.





# You can take control of genital herpes

*I was diagnosed with herpes 6 years ago.*

*It used to return again and again.*

*But now my life is essentially back to normal.*

## ...and your life

Coping with genital herpes outbreaks has never been easy.

Symptoms such as itching or burning pain, tingling, sores, or even localized redness in or near the genital area can return regularly, and the emotional impact of coping with these symptoms can include guilt, resentment, depression—a disruption of daily life.

Advances in medical research now enable you to do something about genital herpes outbreaks. A greater understanding of genital herpes—plus the availability of affordable treatments, and counselling—can help you to cope with all the distressing symptoms.

Now you can get your life essentially back to normal—and potentially keep outbreaks out of the picture for years.

To confidentially learn more about reducing the severity and frequency of genital herpes outbreaks, and minimizing the risk of transmission (through safe sex guidelines, contact the National Herpes Hotline.

**CALL 1-800-HSV-FACS**  
1-800-478-3227

And consult your physician

### COLUMN



## A David Letterman Top 10 for Canada

BY DIANE FRANCIS

David Letterman and his spectacularly successful late night TV show are a sign of the times. GIs and singularly unimpressed with it, most people or important events of the day, Letterman has a slanted and laid-back wit that reflects the cynicism of his viewers. He takes on superstar Madonna for her song and bad language. He pokes fun at politicians, underdogs and the news. He stages crazy stunts such as dropping objects from tall heights to see how they break on the pavement, or chewing out overweight patrons while posing as an employee at a McDonald's drive-through.

But the most popular of his routines is his scorching "Top 10 list," delivered as mock seriousness every night. Lusa can make policy commentary or just silly send ups. Letterman's lists range from the "Top 10 Regretted Things for Reagan's Messianic" to "Top 10 Bunking Things from Neil Bush" or "Top 10 Things that We've Got You Audited by the Taxman."

**Appear serious about cuts—without actually making any—by unleashing a yearlong study of Canada's social safety net**

long journey costing millions of dollars to study Canada's social safety net. His mandate includes whether or not, and if so how, to repair, trim or enlarge social-safety programs. (A slow learner, Lloyd, months later, still grapples with the issues and the possibilities and began most sentences with "on the one hand" and "on the other.") A loyal Liberal, Lloyd proves that by electing 179 Liberals to Parliament we can count on them never to reach a conclusion.)

6. Make government appear serious about cuts without doing any by unleashing a second in-depth examination—by former audit general Marcel Massé—of Canada's bloated bureaucracy, including whether or not, and if so how, to repair or trim cuts. (Another slow learner, Massé is still grappling with the possibilities, even after spending a career at Ottawa's bureaucracy. More important, Massé has also decided to sidle this argument back by asking the very civil servants who created the bloated to propose how to fix it.)

7. Lead a delegation of hundreds of businessmen and provincial leaders—on to China. This sentence—billions of dollars' worth of "new" trade deals that were finally negotiated months before. (This bloated has the

added benefit of showing the country to its nuclear reactors in a country that buys and sells more arms than most and to allow Canada to do business with China despite its human rights violations, even though Canadian taxpayers are being asked to spend millions sending peacekeepers to defend human rights elsewhere.)

8. Be intently preoccupied with Quebec, the Quebec election last September and now the looming referendum promised by Premier Jacques Parizeau. (This can also justify spending millions on French language programs in English Canada in the interests of pandering to Quebecers.)

9. Through artificial bookkeeping, add \$6 billion or so to 1994-1995's federal budget deficit figure to make the Tories look worse than they already were. (Added advantage here is that by padding \$6 billion or so to the budget, you can announce \$6 billion in cuts this winter without doing any cutting.)

4. Employ an earnest finance minister who talks tough about the importance to the nation of tackling the debt crisis. Then don't let him make any serious cuts in spending in his first budget. (Martin has been convincing the country to talk him down, along with deficits even though he is totally hobbled by virtue of being forced to stick to the script in the Liberal Red Book, which is the wisdom gathered from ages in the Opposition wilderness. This calls for deficit reduction in \$25 billion in three years, which will be too little, too late.)

5. Name Robert Gopps as the deputy prime minister. Then unleash him on a study of Canada's environmental issues, including whether or not, and if so how, to repair or trim or increase environmental regulations, or "percentage." (Another slow learner, Gopps is still grappling with the issues—what to do, where, when and how. It is amazing to note that Chrétien and his crew—all professional politicians—now find themselves learning to study virtually every aspect of government about which they had done opinions while in Opposition.)

3. Avoid deficit reduction by simply putting more on the tab requiring future taxpayers' payments. Use the billions of dollars in credit extended to Canada by Wall Street and Bear Stearns. Then encourage lower levels of government to borrow billions more to participate in various schemes to build infrastructure projects that nobody needs and taxpayers cannot afford. (Glasses here include the fact that the projects benefit mostly interested construction workers to build infrastructure projects, which takes away support from New Democrats' infrastructure cost-sharing, also carries the honor of promises, notably Quebec, which should be satisfied at any price.)

1. Continue to see no evil, hear no evil, do no evil. Tell Canadians in end-of-year gleeful surveys that they are happy and that the country has no problems. Deliver the Straight News the Most, How-Canada speech whenever and whenever possible. Above all else, do as little as possible to reduce the deficit until absolutely necessary.

# TRUTH OR CONSEQUENCES

Dr. Shabehoon Lohrbe, a Victoria-based forensic psychiatrist, has some thoughts about why former Yellowknife miner Roger Warren, ordered to commit one of the largest mass murders in Canadian history. According to Lohrbe, the 55-year-old Warren—who is on trial for nine counts of first-degree murder related to an underground fault explosion at the Giant gold mine near Yellowknife on Sept. 18, 1992—may be so susceptible to suggestion that he set the deadly bomb—confessions that he then recanted during his trial testimony last month. Lohrbe testified: "False confessions are often caused by torture."

Lohrbe was hired by Warren's defence lawyer to examine their client last fall. After spending a total of 71 hours with the accused mass murderer, Lohrbe concluded that Warren suffered from acute clinical depression when he made his confessions a year earlier. Lohrbe also cited two incidents from Warren's teenage years that he said indicate that Warren is prone to going along with suggestions from people in authority—even to the point of confessing to crimes he did not commit. In one case, a 15-year-old Warren pleaded guilty to stealing a car that was involved in a crash—even though he was too drunk at the time to remember the details and believed that someone else was actually driving the car. According to Warren, he entered the guilty plea on the advice of his father and a probation officer, and received a relatively light four-week jail sentence. Three years earlier, Warren said he had been involved with a gang that encouraged him to shoplift. After he got caught, he was urged by police to plead guilty in order to minimize his punishment. He did so, and Warren told Lohrbe, "everything was OK." Concluded Lohrbe, "As forensic experiences, these are important."

Crown prosecutor Peter Martin, who has

## An accused mass murderer claims a history of false confessions



Warren: a tangled web of lies



Martin, frank skeptic

repeatedly challenged Warren's veracity during the course of the nine-week trial, expressed frank skepticism about Warren's alleged propensity for false confessions. He noted that Lohrbe had taken Warren at his word, without any attempt to corroborate his statements. He also recalled that Warren, under oath, had admitted that he could be a clever liar, given the proper motivation. He, asked Martin, could the psychiatrist be so sure that Warren was not lying to him as well? Lohrbe conceded that if Warren was indeed lying, his disclosures would be invalid. But he insisted that he had no reason to doubt Warren, and added: "I am any time but naive in these matters."

The forensic testimony concerning Warren's state of mind marked the culmination of a trial that had already boasted an abundance of bizarre twists and turns. Justice Mark de Woudt was to rule this week as whether another defence witness, Vancouver-based forensic psychologist Robert Levy, will be allowed to testify about his research on people who make false confessions. If the ruling is positive, Martin is expected to seek permission to call a forensic psychiatrist of his own to rebut. Once the real evidence is complete, the defence and prosecution lawyers will deliver their closing arguments. Dr. Lohrbe will then provide his own summary of the evidence before instructing the jury on their options in reaching a verdict, possibly as early as this week.

That verdict cannot come too soon for the handful of relatives of the dead miners who have struggled daily to the downtown courtroom as temperatures outside remained a consistently muggy 20° C to 30° C. It is also eagerly awaited by the 18,000 residents of Yellowknife who have lived for more than two years under the shadow of the unresolved deaths. The also varied strike at the Giant mine that led up to the September, 1992, explosion bitterly divided the



Photo by AP/Wide World

high-land community, especially after the mine's owner, Royal Oak Mines Inc., decided to hire 120 replacement workers to keep the business running. And although the labor dispute was finally settled in December, 1993—two months after Warren's arrest—the wounds inflicted during the months of conflict continue to fester.

One of the key issues facing the jury as it begins its deliberations is to sort out exactly when Warren began what he himself has called his "tangled web of lies"—and when he stopped. At the outset of the trial, Martin vowed to prove Warren's guilt "through [his own words]." To that end, he entered as evidence the full six-hour transcript of a police interrogation of Warren conducted on Oct. 16, 1992. For the first half of the session, Warren admitted that he had spent the night of the fatal explosion walking the picket lines. But before Sgt. Greg McManis made it clear he did not believe Warren and repeatedly urged him to "be a man" by confessing to the crime. After about three hours, Warren admitted to planting the bomb—although he insisted that it was meant to be triggered by an unmanned air car rather than one of the miners used to transport materials.

The court was also shown a videotape in which Warren took police through the bowels of the Giant mine and meticulously described how he set the explosives. As well, the jury listened to an audiotape that was secretly recorded by an undercover police officer planted in Warren's prison cell shortly after his arrest. Warren confessed again to RCMP Sgt. Harry Higgins—who was posing as a husband who had skipped town during prison protests—that he had set the bomb. Warren told him he would only be convicted of criminal negligence because he acted irresponsibly to kill anyone. He also said he confessed as a way of bringing the strike to an end. "It guys got to make his choice—150 families or your own wife and kids," Warren said. "It's the only I—long term third over make me tell them. Otherwise, I wouldn't care. I wouldn't have done it if I never really felt that bad."

## The Giant gold mines the verdict cannot come too soon for the relatives of the dead miners

In his testimony last week, Lohrbe testified Warren is a "manic-depressive and borderline" man who was in a "self-destructive" state of despair when he made his police confessions. But he born his doctor at the time, added the psychiatrist, he would have considered hospitalizing Warren and would "almost surely" have concluded him. In response, the police officers' lawyers said Warren "is a man" just prior to his initial confession, proved generally the right balance in prison when Warren was himself questioned by guards, said Lohrbe. And for the weeks Warren kept claiming to be innocent both before and during the interrogation, Lohrbe said these are not as psychiatric delusions, but as evidence of Warren's internal debate on how serious he felt. In the end, concluded Lohrbe, Warren "was himself as being 'no-bear'" but to confess.

Not surprisingly, the prosecution took strong exception to both Lohrbe's methods and his conclusions. Describing the doctor's diagnosis as "incomplete and one-sided," Martin read into the recent parts of another letter that Warren had written following his arrest. In it, Warren wrote that "every time in my life when I'm attacked or frightened, I attack. Never give an inch." The prosecutor then suggested that such statements contradicted Lohrbe's portrait of Warren as a man who was not in the state to decide whether the accused was a victim of his own web of deceit—or a cold-blooded killer.

BRUCE BERGMAN and LARA SAKS in Yellowknife

Warren's defense also depends on a large extent, on his own words—in this case, the nearly seven days he spent in the witness box. He recanted his initial confessions to police, explaining that he was under stress and extremely depressed at the time. He felt exhausted and worthless for being out of a job, Warren said. He withdrew from social inspection after being medication to correct an irregular heartbeat and face of he might be dying from testicular cancer after feeling a lump in his scrotum. He had also, he added, started to hear voices in his head, urging him to correct his mistake by confessing to the crime.

Warren testified that he had fabricated the details of the crime by drawing on his own knowledge of mine operations and conversations with fellow strikers and by pouring over a document that also appeared in *The Edmonton Journal* on the first anniversary of the fatal explosion. The article detailed the then-current police theory of how three suspects had set the bomb. Defence lawyer Glynis Onda presented into evidence a letter Warren wrote to two fellow miners from his prison cell in December, 1993. In it, Warren said he confessed because "the thought of another winter of this hellhole was just too overwhelming." He added that "most if not all of the 'bears' are

I gave them in hell and based on stuff I'd learned over the last 13 months including the *Journal* story. I just hope I haven't hurt myself by being too convincing."

Lohrbe testified Warren is a "manic-depressive and borderline" man who was in a "self-destructive" state of despair when he made his police confessions. But he born his doctor at the time, added the psychiatrist, he would have considered hospitalizing Warren and would "almost surely" have concluded him. In response, the police officers' lawyers said Warren "is a man" just prior to his initial confession, proved generally the right balance in prison when Warren was himself questioned by guards, said Lohrbe. And for the weeks Warren kept claiming to be innocent both before and during the interrogation, Lohrbe said these are not as psychiatric delusions, but as evidence of Warren's internal debate on how serious he felt. In the end, concluded Lohrbe, Warren "was himself as being 'no-bear'" but to confess.

Not surprisingly, the prosecution took strong exception to both Lohrbe's methods and his conclusions. Describing the doctor's diagnosis as "incomplete and one-sided," Martin read into the recent parts of another letter that Warren had written following his arrest. In it, Warren wrote that "every time in my life when I'm attacked or frightened, I attack. Never give an inch." The prosecutor then suggested that such statements contradicted Lohrbe's portrait of Warren as a man who was not in the state to decide whether the accused was a victim of his own web of deceit—or a cold-blooded killer.





*why not...*  
look at clothes  
really great clothes  
ones that yes  
you could see wearing  
that to work  
and ones that you wish  
you could wear to work  
and ones that originated  
who do they think they're kidding  
*why not...*  
take a break  
and go try a new lipstick  
that of course you don't need  
who ever needs lipstick  
for heaven's sake  
*why not...*  
get services for just a second here  
and ask yourself if CR's  
are really all they're cracked up to be  
*why not...*  
just paint everything red  
walk from fireplace  
rugs to even the floor  
deep red carpet and  
see what happens  
*why not...*  
have some fun  
how many more FLARE for a change?

*beauty:  
brains.  
fashion.*  
**FLARE**  
*all there.*

CANADA

## The Canadian agony

Those who do not remain for the past, write George Steiner, are condemned to repeat it. Canadians, when it comes to the country's overwhelming constitutional agonies, have no such luxury of choice. Like the movie *Groundhog Day*, in which the lead character lives over the same day, we watch the same alleged drama play out time and again, with only minor plot variations. The sad consolation for journalists is that it makes the business of reporting so much easier. Here with some events certain to happen in the latest chapter (any day):

• Prime Minister Jean Chrétien will warn, again, that Quebecers who vote to leave Canada should not expect to be able to retain Canadian citizenship with Canadian passports. The same people who wish to leave Canada will describe this as "another brain initiative"—and consider it another reason to leave.

• Support for sovereignty will increase by two or three percentage points immediately after Premier Maurice Paul Martin's slash-and-burn federal budget is disclosed next month. Premier Jacques Parizeau will call the budget another reason to leave Canada, and promote a sovereignty Quebec would act more bravely immediately after the referendum, win or lose. Parizeau's government—which last week was put on credit watch by the influential Moody's bond-rating agency in New York City—will be forced to take almost identical steps.

• The federal Liberals will sweep the three by-elections set for Feb. 12, including the riding of Bruce/Montclair, previously held by the Bloc Québécois. The national media will portray this as a great coup for Chrétien. The shy Liberals will pretend to be surprised, and ignore the fact that the Bloc only won the seat in the first place because of a split federalist vote. The Liberals and Progressive Conservatives combined polled 22,500 votes compared with 26,000 for the Bloc candidate and their own burning (participating in an unknown candidate). This time, the Tory candidate will not be as significant a factor (although support for him by some regional provincial Liberals won't help the federalist side), while the Liberal candidate, Denis Proulx, is popular and well-organized.

### BACKSTAGE OTTAWA

RYAN HUNT WILSON-SMITH

• Mario Dumont and Jean Allaire, the two former Quebec Liberals and crypto-sovereignists who have not said a word about Canada since leaving the party in 1992, will join the Yous in the referendum. The Quebec media will pretend to be surprised and portray this as a great coup for Parizeau. Both men will subsequently be awarded the soon-to-be created Yves Deschamps Award, given to the more than 40 per cent of Yes supporters who, polls show, believe sovereignty equals the popular candidate's description of Quebec: "traditional with a hint 'an independent Quebec with a hint of Canada'."

• Marcel Masse, the former Progressive Conservative cabinet minister recently named as head of one of the Parti Québécois's regional committees studying sovereignty, will cause the PQ as many headaches as a matter of course as he gave Brian Mulroney over one year. Masse, an intemperate man with much to be modest about, won't follow Parizeau's wishes any more than he ever abided by those of Mulroney.

• As the rest of Canada continues its relative silence towards Quebec's coming referendum, some politicians and media commentators will accuse the rest of the country of being too timid, and reproach it for more.

• As the referendum approaches and the rest of Canada demonstrates more interest, the same politicians and media commentators will accuse the rest of the country of being too intrusive, and reproach it for more.

• In Quebec, Chrétien will be accused of being overly dignified and not paying enough attention to his home province. In the rest of the country, Chrétien will be accused of wavering in his approach to Quebec, yet being overly preoccupied with it.

• Support for Quebec sovereignty will peak at the start of the referendum campaign, stay relatively stable for the first two weeks, and drop thereafter.

• The referendums will take place on Monday, June 26, two days after Quebec's Fête Nationale.

• Whatever the outcome, we will, like *Groundhog Day*, relive this saga again and again and again.

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Protesters keeping warm at Revenue Canada site in Toronto. 'Reclaiming our rights'

week. "We went in for up to the eyebrows wet!" Chaps on the left, the co-conspirators were carried by staff into the west wing, a "basically empty" area, according to Revenue Canada spokesmen.

While supporters set up a brazier in the courtyard, the inside protesters made themselves at home. Room dividers, laid on their sides and covered with sleeping bags, toilet do as beds. Washrooms, men's and women's, are now at hand, and Obasanjo says that the group takes regular yoga sessions. For the first days of the occupation, food had to be hauled up from the courtyard by a hastily constructed derrick—a fire hose. But now police handovers food donated by local abolitionist organizations. Newspapers are delivered daily, spiritual edicts are admitted to the area under police escort, and in the morning, the protesters hold briefing circles to keep their spirits up. "We're as comfortable as we can be," observes Obasanjo, "in a government office."

At the heart of the dispute is a Revenue Canada misrepresentation of the Income Tax Act. The guidelines were first proposed in December, 1985, by the former Conservative government after the Supreme Court of Canada ruled the entire tax exemption should not be based solely on residency on a reserve.

The changes, foisted by the Liberal government last June, will end the income tax exemption of status Indians who live and work off a reserve, but whose residency is based on a reserve. Other status Indians living off reserves will continue their income tax obligations.

Among those affected by the new guidelines is Obasanjo himself, a Quebec-born native businessman who now lives in Toronto. His company, O.I. Group of Companies, hires out non-union construction workers, mostly to the aboriginal service organizations, from its main office on a reserve in Ontario.

Although the number of Indians directly affected by the new guidelines is relatively small—only about 3,000—the protesters say that the moves involved include the erosion of native rights and a continuing legacy of broken trust with the federal government. In June, 1993, as leader of the Opposition, Jean

Chretien wrote a letter to native leaders opposing the Tory tax exemption plan and announcing "Given that a Liberal government would act in a far different manner." By introducing the rules without sufficient consultation, around the protesters, Chretien has broken his promise. Now, they are demanding that the Prime Minister withdraw the new tax guidelines.

But Revenue Minister David Anderson says the new rules will stand. He points to a series of talks between native groups—including the Assembly of First Nations—and the then Tory government in 1993, followed by recent consultations, as promised, with the Chretien government last year. Says Anderson: "Only in June did we finalize them and say, 'Look, you've got six months to make up your mind as to whether you want to live'"—on the reserve or off it.

As for the current confrontation, Anderson acknowledges "a certain wary acceptance of occupation of offices." And although police say that "technically" the protesters could be charged with trespass, one of them has been. That does not worry Belinda Edwards Harper, the party's law officer. "I don't think any other group would get away with what they've been doing there," says Harper. "The natives are getting special treatment." Still, Anderson says he will stay the course. "I have two concerns," he adds. "One is that the situation remain peaceful; the second is that the building remain open for business and the public is not reasonably inconvenienced."

On both counts, the situation in Toronto has gone according to plan. "We have never arranged to move them out," says Harry McCrack, district manager of construction for Revenue Canada. "We've never attempted to shut them off, or water, or lighting." However, all daily Metro Toronto police are stationed throughout the building—in a cost of more than \$6,000 a day to the city government.

Meanwhile, the building's public services have been moved to a nearby government location. Most of the people forced to stand to live for service and tax forms appear to accept the inconvenience with stoicism. Being, however, do not. "What's going on here?" one woman shouted to a policeman last week. "If that were me camped out, you'd have me out of there in 10 minutes." However, there are signs that the hands-off approach is working. One staff said that a week and a half of staffers inside had dropped from 25 to 10.

Still, the resolve of the remaining protesters seems unshakable—at least to a point. Smoking a cigarette and huddled in a park, Brock McLeod says he has been in the Revenue Res courtyard from the outset. Initially, he and some friends attempted to go without food in support of the occupation. But the first lasted only a few days—and McLeod will talk glumly of the weak dancer he had afterwards. "You know," he says with a smile, "hating isn't everybody's cup of tea."

JOE CHRENIER is Toronto's E. RAY FULTON in Chicago.

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MACLEAN'S JUNE 1993

who have cleared the complex to the public but still allow employees to have done only as to make the protesters leave. And while their numbers have dwindled, the others say they are not giving up. "This is our home," says group spokesman Cliff Stammers from

### A three-week-old sit-in over income tax changes continued with no plan to remove the protesters

his pickup truck, parked outside the building "We are the residents of Revenue Res!"

The taking of Revenue Res (formerly for "reserve") began with 27 activists, gathered from as far afield as the Six Nations reserve in Burlington, 300 km to the west, and Mississauga Island, 325 km to the north, entered the building around closing time. "We just wandered in," recalled occupation leader Roger Obasanjo, speaking from the EIR-Four occupation via his cellular phone last

# The mercy-killing debate

The hundreds of letters overflowing from cardboard boxes in his living room gave Robert Latimer hope. Last November, Latimer, who operates a 1,200-acre grain farm 270 km west of Saskatoon, was sentenced to a minimum of 10 years in jail after being convicted of a controversial mercy killing of his severely disabled 12-year-old daughter, Tracy. Since then, Latimer, 41, has been free on bail, and expected to be home by a court order until his appeal is heard on Feb. 13 in Regina. His appeals his days caring for his children requiring farm equipment and seeking the constant flow of letters sent by Canadians who believe that his sentence was too harsh. And as his appeal nears, petitions asking the federal cabinet to exercise its rarely used authority to pardon Latimer are also beginning to circulate. "It is helping us a lot," Latimer told *Maclean's* last week. "We're very grateful."

Latimer has never denied killing his daughters, who suffered both mentally and physically from cerebral palsy. On Oct. 28, 1990, while his wife, Laura, and his other three children, ages 1 to 11, attended a Sunday morning church service, Latimer put Tracy in the cab of a pickup truck and left the motor running. Using a hose, he filled the cab with carbon monoxide fumes, by doing so, Latimer told police at the time of his arrest, he had finally ended his daughter's suffering. He also unwittingly triggered an emotional debate between Canadians who believe that no one has the right to take another person's life and those who believe that acts of compassion. So far, supporters have donated more than \$60,000 to cover his legal bills. At the same time, Ottawa real estate lawyer Paul Dognards has circulated a clemency petition signed by almost 2,000 Ontario and Quebec residents since early December. "The severity of the sentence struck me," says Dognards. "The justice system has gone off the rails."

Dognards is not alone. A number of other petitions are also being prepared, including one signed by 4,600 people in Western Canada. James and Janet Thibault, of Christopher Lake, Sask., 425 km north of Prince Albert, say they also launched their petition drive because they believed Latimer's punishment did not fit his crime. Like Dognards, the Thibaults are hoping to

## Robert Latimer's murder appeal sparks a protest by handicap groups



Laura Latimer with support letters; Robert and daughter Tracy (below): \$50,000 in donations for legal bills



convince the federal cabinet to pardon Latimer, under what is known as a "Royal prerogative" contained in the Canadian Criminal Code. Under the provision, a person convicted of murder may ask the cabinet for a full pardon or a reduced sentence.

But groups that represent handicapped Canadians say Latimer deserves no mercy. Nana McElberg-Schweizer, president of the Saskatoon-based Saskatchewan Association for Community Living, says that if Latimer's conviction is overturned or his sentence reduced, it could encourage others to take similar action against the handicapped. And Theresa Ducharme, president of the Winnipeg-based People in Equal Participation Inc., says her group has applied for information status at Latimer's appeal. "The Criminal Code is there to protect the lives of all people," says Ducharme, a quadriplegic who is an prominent life support. "When it comes to the disabled, people seem to believe they should not uphold the law."

Ducharme says that two other recent cases in which severely handicapped children died tragically have added to her concerns. In early December, Colby Wilkinson, 43, had his 15-year-old son, Ryan, who had cerebral palsy and was partially deaf and blind, died of carbon monoxide poisoning in an apparent murder-suicide in a garage at Wilkinson's parents' home in Brandon. And on Dec. 26, Audrey Calver, a nonverbal child with severe mental and physical disabilities, was found badly scalded in the bathtub at her family's suburban Toronto farmhouse. An autopsy revealed that she died of asphyxiation, and police are still investigating.

Meanwhile, Latimer's lawyer, Mark Brydolf, of Saskatoon, plans to argue that his client's conscience, which was videotaped by the RCMP, should not have been admitted as evidence because it was taken without his consent. Brydolf will also argue that the court should have allowed the jury to consider a third option, rather than restricting it to a choice of first- or second-degree murder. And as he is prepared to step through so other box of mail last week, Latimer said he was confident that he will win his appeal. Thousands of Canadians, it seems, are pulling for him.

JOHN FENNELL

## BERNARDO TRIAL SET

Jury selection in the Paul Bernardo murder trial will begin on May 1 in Toronto. Bernardo, accused in the brutal sex-slayings of two southern Ontario teenage girls, had requested a change of venue from St. Catharines, where he was charged with the two killings in February, 1993. Justice Patrick LeBlanc of the Ontario Court of Justice agreed that the trial of Bernardo, 30, should be moved in "the interests of all parties and the interests of justice." Meanwhile, the families of the two slain girls have asked the court to ban the public and the media from viewing videotapes "depicting certain acts against" the two victims. Police found the tapes in the home Bernardo shared with his then-wife, Kasia Horvath, 24, now serving a 12-year sentence for manslaughter in connection with the two deaths. The Criminal Code permits a ban on evidence "in the interest of public morals, the maintenance of order or the proper administration of justice."

## TRAGIC FIRE

Six people died when smoke from a fifth-floor apartment fire swept up a stairwell in a 30-storey building in the Toronto suburb of North York.

## A PASTORAL MESSAGE

The Canadian Conference of Catholic Bishops has entered the debate over reform of the country's sexual programs with a blunt message to Ottawa: do not abandon the poor. The bishops say the burden of deficit reduction should not be borne by those who benefit "least from our economic structures." Instead, they advocate cutting more aid and reducing the poor between the rich and the poor.

## MURDER IN THE DOMINICAN

A Toronto businessman, widely respected for his community work, was killed in a robbery while on holiday in the Dominican Republic last week. Jose de Jesus Delgado, 56, was shot at close range with a shotgun while jogging.

## HEALTH WARS

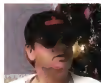
Federal Health Minister Diane Marleau has given the provinces until Oct. 15 to stop private clinics from charging patients specialty fees for essential services, or face an expanded reduction in transfer payments. In a message clearly directed at Alberta, which has a growing private health-care sector, she said the provinces must assume all essential health-care costs and warned that the alternative would lead to a two-tier system that favours the rich.

# Canada NOTES



Lortie in the Quebec legislature and today (below): 'Disconnected from reality'

## A killer goes halfway free



restricted to a 45-km radius from the house that the relatives of some of Lortie's victims say he is getting off too easily. Indeed, Steve Dwyer, whose father was killed by Lortie, says that he should have been executed. And Liliane LeFranc, whose husband was also murdered in the legislature, adds: "I have tried to forget, but in the last 10 years nothing has eased the grief I felt at the loss of my husband."

## Seeking credibility

In his concluding drive to isolate his Quebec independence campaign, Premier Jacques Parizeau has made one people in mind: the 13 constitutionalists that will be given voting power only next month to select options on the province's draft sovereignty law. But since all five are known to be sympathetic to the sovereignty cause, the appointments are not likely to convince the opposition Liberal party to withdraw its boycott on the grounds that the constitutionalists are merely an echo-chamber and expensive—approximately \$1 million.

Among the new appointments was Dominique Gosselin, president of the 15,000-member Syndicat des enseignants de la 1<sup>re</sup> à la 5<sup>ème</sup> année, Quebec's largest union of civil servants, which has thrown its lot with the separatists. The Liberals accused Gosselin of "bad judgment" in choosing to abandon all pretence of neutrality in the widening independence debate. But Gosselin's union is not alone. The head of the largest teachers' union in Quebec, the 125,000-member Centrale de l'enseignement du Québec, declared "unfettered support" for sovereignty early last week. And the president of the 450,000-member Quebec Federation of Labour delivered last night, announcing a massive pro-independence rally in Montreal on Feb. 21.



**THE AMERICAN EXPRESS**

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# YELTSIN'S GAMBLE

**A**s recently as late November, Russian Defense Minister Pavel Grachev boasted that it would take a single parachute regiment only two hours to subdue unrest in the lawless southern republic of Chechnya. That is to be on the safe side.

President Boris Yeltsin last month sent 40,000 troops, backed by heavy artillery and massive air power, to defend the "territorial integrity" of the shaky Russian Federation by crushing a three-year-old secession led by the predominantly Muslim region. As deaths, injuries and warplanes raised destruction on Grozny, the Chechen capital, Grachev continued to insist that only limited force would be required to bring the rebellious Caucasus mountain territory to heel. Only an "insufficient contingency," the defense minister said, "would use tanks in a city."

Grachev's predictions, like much of Grachev, have since gone up in smoke. After the initial Russian bombardment failed to break the resolve of the defiant Chechen guerrillas, Moscow ordered tanks into the city on New Year's Eve for what was supposed to have been the final assault on the rebel stronghold. But the Russian troops, mostly in unarmored cars and many still in their coats, soon found Chechen guerrillas hiding down in treacherous street canyons with Chechen irregulars, lightly armed but heavily committed to their rallying cry of "freedom or death."

Last week, charred tanks and bodies of Russian soldiers littered the streets of Grozny as tanks-drawn troop columns loaded with Chechen reinforcements from the mountains swarmed through so rubble-filled streets. Many of the rebels, convinced that dying for independence would assure them a place in heaven, wore the green ribbons of Islamic suicide fighters and shouted "Allahu Akbar—"God is great. On the ground, others opened fire on Russian troops from behind trees, bushes or burned-out buildings.

Although reliable casualty figures are unavailable, thousands, perhaps thousands, of civilians and fighters—both Russian and Chechen—have been killed or wounded in the major battle for Grozny. On Saturday, the commander of Russia's interior ministry troops in Chechnya, Maj. Gen. Viktor Vasylyev, became the first senior officer to die in the fighting when he was killed by a mortar explosion. And some 1,500 km north, in Moscow, there were suggestions that the Chechen war could also have grave consequences for Boris Yeltsin's presidency—and perhaps for Russian Federation itself. Declared Sergei Kovalev, a reformist Russian parliamentarian: "It is not only the fate of Chechnya alone but the fate of all Russia which is being decided in Grozny."

All week, official Kremlin propaganda attempted to put the best face on what was clearly becoming a desperate, perhaps even intractable, situation. Even as Russian

troops took a pounding, they continued to run artillery, mortar and rocket fire on the outskirts of Grozny. The government insisted its troops had "initiated the initiative" by taking control of much of the city. But critics of Yeltsin's strategy

in recent months, Russian hardliners, egged on by ultra-nationalist leader Vladimir Zhirinovskiy, have become increasingly skeptical by what they regard as an erosion of the power and prestige of the former empire. Opponents now maintain that the once reform-minded Yeltsin has fallen victim to a power struggle between



■ Chechen rebels insisted on the rallying cry "freedom or death"



■ Chechen corpses of Russian soldiers in Grozny's chaos

leaders and in his own cabinet—and that the Russian president may have ordered the assault on Chechnya to placate a "war party" of security and military officials. Some even suggested last week that Yeltsin was as looper in control, and that his security chief, Gen. Alexander Lebedev, was instead running the country.

Leading the domestic attacks on Yeltsin were several liberal Russian newspapers, which lashed out at the president, his advisers and the army for their handling of the situation. "In the Chechen crisis, the Russian authorities have shown their inability to see the immediate consequences even one or two moves ahead," wrote the Moscow paper *Izvestia*, listing Russia's leaders to a collection of bad chess players. And a *Sovetskaya* headline in the daily *Russkoye Slovo*, which ran above a photograph of Yeltsin offering a New Year's toast to the nation superimposed over the bodies of dead Russian soldiers, read: "There is no power left, so much and no president."

On the streets of Moscow, several hundred demonstrators, clearly inspired by the gaseous television images beamed back from the front, gathered with placards bearing such slogans as "Stop the bloodshed" and "Silence on the carcasses." Many said that they feared Yeltsin had plunged the country into a replay of the bloody 1979-1989 Afghanistan war. Among the protesters, soldiers' mothers, during the worst, went openly for their sons. Many warriers for Yeltsin, several editorial disputes and former allies demanded that he abandon the presidency. "For us, it has become clear that new member Boris Yeltsin nor his ministers in uniform can regulate the conflict in Chechnya," said leading liberal legislator Gennadiy Yavlinsky.

That this is a matter internal to Russia, Foreign Affairs Minister Andrei Kozyrev stressed in Ottawa. "We have been deeply shocked by the suffering of innocent civilians and the violations of human rights." The European Union announced that it would delay a planned economic accord with Russia to eventually eliminate trade quotas and increase investment opportunities. Under pressure from the Europeans and the United States, Russian Foreign Minister Andrei Kozyrev said he may be prepared to give the 15-nation Organization on Security and Cooperation in Europe, of which Russia is a member, a role in helping to resolve the conflict.

Whatever the outcome, there is much at stake. The patchwork Russian Federation contains nearly 100 ethnic groups and autonomous or semi-autonomous—21 of them, including Chechnya, considered republics with their own laws and constitutions. Several, including Tatarstan, have declared that their legislation takes precedence over Moscow's and have said they want to collect their own taxes and issue their own currencies. And the fighting in

Chechnya could well snowball as other former Soviet republics. Yeltsin himself seemed to grasp the possible consequences during a tour of regional governments last August. When asked by reporters if he would intervene militarily to crush Chechen separatists, he replied "If we went to apply pressure by force against Chechnya, it would anger the whole Caucasus. There would be such a confusion, there would be so much blood that even the United Nations would be unable to help." Yeltsin, the headlining president failed to heed his own words.

SCOTT STEELE with correspondents' reports

## Russia's future has rarely been less certain

The future of Russia, in fact, has rarely been less certain. Last week, liberal reformer minister Yegor Gaidar, assistant architect of Yeltsin's economic reforms, said that the country is now facing its gravest threat since the breakup of the former Soviet Union. Gaidar, who leads the largest opposition faction in the lower house of parliament, urged Yeltsin to dismiss those "who pushed him to this adventure"—including Grachev, Deputy Prime Minister Nikolai Yuzovskiy and National Security Council Secretary Oleg Lobov. Gaidar blamed Yeltsin and his circle for a "military coup."

Even within the Russian military, there is a growing rift between those who support the operation and those who oppose it. Since the invasion began, several senior officers and two deputy defense ministers—including Gen. Boris Gromov, former commander of Soviet forces in Afghanistan, and Gen. Alexander Lebed, who some analysts say has designs on the defense minister's job—have condemned the Kremlin's actions. Morale among the Russian paratroopers in Chechnya, meanwhile, is extremely low. Moscow TV has broadcast interviews with young soldiers who complain they do not even know why they are fighting.

Yeltsin's war, however, extend well beyond the military—or the borders of the Russian Federation. German Chancellor Helmut Kohl described the suffering and killing in Chechnya last week as "complete anarchy." Several other countries, including Canada, expressed concern that the Kremlin may have gone too far. "We recognize that this is a matter internal to Russia," Foreign Affairs Minister Andrei Kozyrev stressed in Ottawa. "We have been deeply shocked by the suffering of innocent civilians and the violations of human rights." The European Union announced that it would delay a planned economic accord with Russia to eventually eliminate trade quotas and increase investment opportunities. Under pressure from the Europeans and the United States, Russian Foreign Minister Andrei Kozyrev said he may be prepared to give the 15-nation Organization on Security and Cooperation in Europe, of which Russia is a member, a role in helping to resolve the conflict.

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SCOTT STEELE with correspondents' reports

# Out of the ashes

For the 10 million citizens of Angola, last week's New Year celebrations had a special resonance, with a little twist, 1975 will prove to be the year in which peace finally returns to this hell-battered country after two decades of bloody civil war. Since Angola won independence from Portugal in 1975, an estimated 500,000 people have died in clashes between the leftist government and the rightist National Union for the Total Independence of Angola (UNITA). In its process, the oil- and diamond-rich country on southern Africa's Atlantic coast has been pushed to the brink of starvation. At 1994 drew to a close, however, both sides in the conflict appeared willing to abide by a UN-backed ceasefire that was signed in the Zairean capital of Lusaka on Nov. 30. And last week, rebel leader Jonas Savimbi agreed to meet face-to-face with President José Eduardo dos Santos in an effort to consolidate the peace process. UN officials said they were hopeful that such a meeting would take place before the end of January. To gauge the prospects for a lasting settlement, *Maclean's* correspondent Philip Hensley recently visited Angola and spoke to many of its destitute, war-weary inhabitants. His report.

Studying in the courtyard—it is now a graveyard—of a ruined apartment building in the central city of Luanda, Pedro Enquer chain-smoked cigarettes down to the filter as he glanced around at a dozen girls and boys playing in the rubble. "Everybody is so sick of war," said Enquer, the social affairs minister of Angola's government. "Nobody can stand it any more. All these children—most of them have never seen peace." During a nine-month siege by UNITA rebels in 1993, 400 families crawled into the block's ground-floor apartments, hoping they would provide some protection from bombs and bullets. Still, many died. Today, in the battered-out buildings, Cuilo's survivors cook on smoky wood fires in blackened corners. They have no running water and little electricity. When hunger grips them, they venture out to scrounge for food on the city's outskirts. Some carry canteen back. Another takes a week's load home or scrounged-for goods down another victim. The misery going around, easy to believe after touring the remains of the provincial capital, is that the city is so devastated it will have to be rebuilt somewhere else. A once beautiful place of

**Destitute and weary, Angola is struggling to emerge from the shadow of civil war**

flower gardens and broad streets lined with jacaranda trees, Cuilo was bombed, shelled and reduced without mercy. Not a single building escaped damage, not one family survived intact. For nearly a year under ferocious bombardment, the people of Cuilo ate roots and banana leaves, and buried their dead in the back gardens. "The only song we heard was the sound of shelling," vice-governor Evaristo Kissewa said of the siege. "The only smell we knew was blood." Not far from Cuilo's main street, metre-deep crater trenches dig along among the shattered apartment buildings. A mere 30 m separated the UNITA rebels and government soldiers in this area, and the fighting, often hand-to-hand, raged for weeks on end. The still-emaciated skeleton of a soldier lies in the weeds and rubble of the no man's land between the old front lines. He is too disfigured for anyone to move the body the ground is littered with unexploded grenades, rockets and grenades "bouncing mines"—which, when triggered, jump in the air and explode at waist level. "Not a good place to go for a wife," commands Nilo Mar mel, a volunteer newspaperer from the British nonprofit group Halo

Trust, as he casually makes his way along the edge of a trench. Crawling on his hands and knees, he carries a rifle. He quickly to please his Halo Trust colleagues—Mohammed Adam from the sandy ground in front of him with a fighting knife. Satisfied that his path is clear, Adam, a farmer-groomer in the Angolan army, drops down into a pit full of tree branches and litter. He emerges with two unexploded Chinese rocket warheads and a 55-mm shell. Watchtower has quick movements through the ground. Marmel calls out: "Adam, that area is very suspect—it's not a good idea." Adam replies over his shoulder: "It's OK. The ground is hard." A day later, Adam's luck runs out: a land mine he was holding exploded and took off his hand.

Angolan children in refugee camp hunger

Over two days, Adam, Marmel and colleague Paul Henlog had collected 64 pieces of unexploded ordnance that read like an international catalogue of destruction. There were mines, rocket-propelled grenades, cluster bombs and mortar shells from China, Russia, Romania, South Africa and the United States. In the same area, three weeks earlier, a young girl innocently picked up a shiny object at the end of a blow up on her back. Henlog, who has cleared mines for the British army and in Mozambique for the Halo Trust, says that Cuilo has more unexploded mines anywhere else in the world.

Angola's capital, Luanda, 900 km northwest of Cuilo, looks at times like a city of one-legged men and women, their progress on aluminium crutches slow and agonizing. Every few months, tens of thousands of new refugees

arrive from the provinces, doubling an already overcrowded city. Little wonder then, that Luanda's streets seem more like a morgue than a city. The streets are so depressed that they did a few months ago. There are more children begging in the streets, the pavements are deeper.

In a country with vast resources—diamonds, oil and some of the richest farmland in Africa—3.8 million people, or more than one-third of the population, depend on emergency food aid flown in by the United Nations. Fighting and civil war have brought agriculture to a standstill. The kwanzas, the local currency, has lost 95 per cent of its buying power in the past month alone—its most drastic at about 500,000 to the dollar. The price of kwanza, for those who can afford to eat in a restaurant, can be a stack of kwanza on each dish. Luanda police officers earn the equivalent of five dollars a month, the price of a couple of beers. As hungry as the people they are meant to protect, policemen starve in broad daylight, in extinction of gunshot. Streets are packed with a raving army of orphaned children, prostitutes and teenagers hawking clothing, beach toys and electrical goods stolen from Luanda's Atlantic coast—all desperately trying to make enough money to buy food.

Elsewhere in Angola, the countryside is lush and the air is more breathable than in the heavily polluted capital. But the only way to get there is on military or UN aid flights, and in the case of the latter, the planes fly only when the fighting eases and both sides grant permission. The bodies of the past two years have destroyed roads and have so divided Angola into warring regions, cut off from the outside world. Children are imprisoned by land mines and the threat of being attacked or kidnapped if they try to work their farm fields.

Exceptions are rare. But at least one exists. Blending under the early summer sun, Camandanda, a tiny village 180 km from the Zaire border in eastern Angola, is a picture-perfect suggestion of what Angola must look like when the war ends. A grove of large stone trees. Camandanda's boasts gardens rich by war-torn standards. Corn, squash, beans, sweet potatoes, sunflowers and manioc, the starchy root staple crop, flourish in the red, sandy soil. Children are clean-cut, with few signs of the malnutrition common across Angola. Women go to the church in the morning, work the fields and share songs with friends under the mangoes in the afternoon.

Camandanda's relative peace has a unique origin. Half of its 200 inhabitants have been soldiers from both sides relate to enter the village for fear of catching the disease. Left alone, villagers live under a makeshift thatched structure. The village chief decides when the mangoes are ripe enough to pick, the people obey as they have for generations, and the crop is shared among them rather than pilfered by marauding soldiers.

The villagers are not self-sufficient, however. Those who risk foraging too far ahead for water risk being kidnapped by rebels. A hydroelectric pump that brought water from the Chapano River, two kilometres away, broke down two years ago. Christmas Brothers, the missionary group that looks after Camandanda, recently asked the Camandanda government to help supply a new one; the village is still waiting for an answer. The smiles and easy laughter seem unique in this war-ravaged land. "We know soldiers do not come here because there are sick people," says an elderly man in his native Chokwe language. "Perhaps because of our own suffering, God has kept us. We just wait for peace for all of Angola, for us all to sit together in peace."

The most commonly used word in the Angolan lexicon these days is probably *esperança*—"hope" in Portuguese. "We hope peace will come," says Estrella Simpongo as she moves back into her Cuilo home, which was taken over by UNITA rebels during the siege. "It's what keeps me alive." But for many Angolans, hope remains a distant concept. On a recent day in Cuilo, a government soldier in dark camouflage fatigues (clad with a foreign soldier who was mounting a Rumanian-made chain bomb. The soldier's chest was draped with patches of rifle magazines and his eyes were as hard and empty as the eyes of any battle-weary war veteran. "How old are you?" asked the volunteer "barbarian," he replied "And how long have you been a soldier?" A long time, he said. His eyes never flickered. □



Government soldier: "The only smell we knew was blood"



# CABLE GETS ZAPPED

**A wave of consumer protest prompts Rogers to rethink the launch of new channels**



It may well go down as one of the sickest product launches in the history of Canadian television. On Jan. 1, cable companies across the country began offering their 7.5 million subscribers seven new Canadian-owned specialty channels. But once the service went on the air, the companies, and several Ontario MPs, were swamped with telephone calls from angry consumers. The complaints focused on the industry's so-called negative option marketing: viewers, after receiving the new channels for several weeks, would be billed automatically for the additional services unless they opted to cancel. Public anger was aimed primarily at industry giant Rogers Communications Ltd. of Toronto, which quickly retreated and made a new introductory offer that could cost the company more than \$30 million. Other Canadian cable firms—including Fibe Cable Ltd. in Montreal, N.B., and Triflex Communications Ltd. in southern Ontario—followed suit, hastily making changes to their cable service and marketing packages. Said Rogers Communications president Colin Watson, in a nationally televised news conference from Vancouver: "We made a mistake and we apologize."

Although the Rogers wave appeared to appease the public, the consumer snafu may have lasting implications for both the cable companies and Canadian specialty TV. Provincial politicians in British Columbia plan to introduce legislation to prohibit negative marketing, while politicians in Ontario are threatening to do the same. Such moves, experts say, would make it more difficult for the new specialty channels to establish themselves. Watson conceded that the controversy had prompted 100,000 calls per week and that Rogers' 2.1 million subscribers in Newfoundland from the opt-out service. He said it could also undermine public acceptance of the new services, which include a women's network, a country music channel and an arts and culture station. "The unfortunate byproduct of this," added Watson, "is that they are not going to have the same level of understanding their credibility among Canadian consumers and that's nobody's fault but our own."

The public backlash, according to some observers, also raised questions about the willingness of Canadians to support domestically produced programming. The Canadian Audio-Visual Protection Commission (CAVAC) approved the new cable channels last June largely in anticipation of the potential threat posed by direct broadcast satellites, which are expected to make hundreds of American channels available in Canada within the next few years. But CRTC was to have that decision upturned at a hastily arranged CRTC hearing that was abruptly adjourned after Watson's announcement, dampened any suggestion that the public was rejecting the CRTC policy of promoting

Canadian-owned services. "Historically, Canadians have said they want a distinctive broadcasting system," Sherman said. "Over the past months, they've been telling us they don't like the way our particular company marketed its new services."

Only last month, the parent company, Rogers Communications Inc., received CRTC approval for its CTS 1841 line takeover of Toronto-based Maclean-Hunter Ltd., which controlled publishing (including Macdonald), printing and cable assets. That acquisition gave Rogers control of 30 per cent of the Canadian cable market, well in excess of its nearest rival, Montreal-based Le Groupe Miroir, which holds a 10-per-cent share. In most of its markets, Rogers should also control channels. Rogers announced earlier new services with such popular cable services as TSN, CNN and the U.S.-based Arts and Entertainment network. Subscribers were affected, through

brochures included in their monthly statements in late December, that they must subscribe to the newly assembled packages in their entirety, at an extra cost of roughly \$4 a month, or lose all special services.

Both Rogers officials and other cable executives insist that the packaging of existing and new services was done so comply with

new CRTC regulations, which stipulate that they must offer one Canadian specialty service for every American service as a package. But thousands of cable subscribers were outraged by what they saw as arbitrary price increases and lack of choice.

In Vancouver, the consumer protest began between Christmas and the new year. New subscribers could not get through to customer service representatives for several days. As a result, hundreds of customers lined up outside Rogers' offices in the Vancouver area on Jan. 3, the first business day after the hol-

**Rogers' Watson in Vancouver: a national outcry over 'negative option' billing may create an equally negative scenario for new Canadian programs**

day, as complaints are to cancel their service.

Consumers were equally upset in some parts of Ontario, and hundreds took their complaints to local MPs, largely because the cable companies are federally regulated. Liberal Don McEwen, who represents a riding east of Metro Toronto, said that he received 350 calls over the holiday. In fact, the volume of calls was so heavy at one point that his answering machine broke down. "It's good that people did what they did," said McEwen. "They made the companies wake up and realize how grossly unfair these rate increases were."

In the midst of what was rapidly becoming a major marketing and public relations fiasco, Watson called a news conference for Jan. 5 and admitted that negative option marketing will remain in place: subscribers will still have to notify the company if they want to decline the new, larger package and keep only the channels they now have, or be billed for them. By keeping only their existing lineup,

customers will face a previously approved increase of 70 cents per month. The new services—known as individual lines—will cost an extra \$2.65 a month, and the five-year period has been extended to the end of February, from Jan. 31. As well, Watson said the company plans to send each subscriber two letters outlining the options, and customer service phone lines will operate 24 hours a day, seven days a week. "We listened to the public," Watson said. "We understand the desire of people to keep exactly what they had at exactly the same price." That understanding could prove to be costly for Rogers. The company says it will lose between \$30 million and \$50 million by changing its original plans. Part of that loss comes from the cost of marketing devices that broadcast signals to fringe people who do not want the new channels.

For that part, several smaller cable operators contend that they introduced the new channels, without upturning their subscribers,

by offering them the status quo as an option. Kenneth Fowler, senior vice-president of planning for Ontario-based Shaw Communications Ltd., the country's third largest cable company, said that the firm conducted extensive market research, through the use of focus groups, to find out what people wanted. Fowler said that Shaw used those results to offer its customers four packages, including the existing lineup at no additional cost. In Nova Scotia, Shaw announced last Friday that it would not appeal a provincial ban of negative option marketing.

Cable executives said that new computer and electronic devices may be available within a couple of years, which will allow consumers to choose precisely the services they want rather than pre-set mixed packages. According to Fred Wagner, president of Regal Cablevision Cooperative Ltd., his company has already installed a decoding machine in 5,000 of its 30,000 subscriber households as part of a service upgrading program. Rogers and Shaw, meanwhile, are counting on the development of a system called digital video compression that will permit viewers to choose from up to 200 channels.

Although these devices would likely nullify their negative option marketing debacle, politicians in two provinces were still considering legislation to prohibit the practice, which was previously banned in Quebec and Nova Scotia. B.C. Consumer Services Minister Joan Smallwood advised Ted Rogers, chairman of Rogers Communications, to end negative option marketing or face government legislation. Ontario's 1989 Consumer Protection Act gave a private member's bill out leaving the practice and providing for fines of up to \$25,000 for companies using it. In response to pressure from opposition leaders, however, the province's Consumer Affairs Minister Marilyn Charley said the government will introduce its own bill.

But for the creators of the new specialty channels, a legislated end to negative option marketing could be disastrous. They would then be forced to sell their programming directly to the public, and build their viewership on their own terms. Instead, the CRTC has allowed negative marketing so that the services have a secure source of revenue to launch and establish themselves. In return, the owners of the seven services have promised to plow over \$400 million into domestically produced programming during the next five years. "We're not just about delivering Canadian points of view," said Linda Rankin, president of Winnipeg-based Women's Television Network. "Without that, we watch American television. I can't think of any other country in the world that would do that for this." But following last week's controversy, cable subscribers may no longer be prepared to sit still, and pay for services they do not want—even if they are made in Canada.

**EVANCK JENSEN** with **WAGNER CARLWAT** in Ottawa

**'We misread the public. We made a mistake and we apologize.'**





Police officers block a crowd at Chiapas' ferry

## A Mexican standoff

He has been dubbed the Accidental President—a shy, technocratic technocrat who won the highest office in Mexico almost by default after the assassination of the election candidate. And ever since he was sworn in on Dec. 1, the shabby street-walked regime of Ernesto Zedillo Ponce de Leon has found itself on a decidedly one-crowded course, riding that one dimension to the next. Granted at the presidential palace, Los Pinos, by a retiree from Subcomandante Marcos, leader of a year-old peasant rebellion, that read, "Welcome to the night, night," Zedillo promptly got the message. As the rebels retask key towns and blocked highways in the southern province of Chiapas, the Mexican market shook the Mexican stock market, which in turn set off the worst currency crisis to hit the country in 12 years. With an abrupt devaluation sending the peso plummeting 25 per cent over a two-week period—and wiping out an estimated \$30 billion in foreign investments—even Zedillo's announcement of a \$15-billion international bailout package last week failed to calm either the issue popular or the panicked global financial markets.

It was only when he dispatched his new finance secretary, Stanford-educated economist Guillermo Ortiz Martínez, to New York City last week's call to reassure U.S. and Canadian investors that both the peso and Mexican securities markets began to stabilize. In the packed ballroom of the Pierre Hotel, Ortiz first meeting his message that Mexico's current cash flow problems are a far cry from 1982 when Carlos Salinas de Gortari absorbed a Toronto meeting of the International Monetary Fund by announcing that the country could not meet the payments on its staggering \$80-billion debtload. "The object

of the meeting was to basically reassure the financial and investment community," said Paul Wilson, senior public affairs adviser for the Royal Bank, which sent a representative to New York, "and in that respect it was an unqualified success."

This week, Mexican Foreign Minister José Angel Gurría—who was involved in negotiating Mexico's debt in the 1980s—was expected in Toronto and Ottawa to repeat that reassurance. But the entire devaluation crisis appears to have brought home one stark political reality to Zedillo: while bankers and economists were unanimous in denouncing that devaluation was necessary, they were far from being forthcoming. Saint Rodolfo Camp, a professor of Latin American studies from Tulane University in Louisiana, "The crisis is basically a question of perception at this point. Zedillo needs to understand that image and consequence are more important than substance."

But if the money markets were calmed by Zedillo's belated public relations exercise, not everyone else was. Many Canadians were disappointed to learn that Ottawa's \$1.5-billion share of the global loan of credits extended to Mexico had been triggered not by any philanthropic impulse but by a verbally awkward obligation signed with the North American Free Trade Agreement. Under the terms of that agreement, all three governments had committed to come to any of their partners' rescue in a currency crisis. That pledge had only obliged the Bank of Canada to come up with a \$1-billion loan of credit. But the fact that it offered an additional \$500 million in floating signals to some, like NAFTA opponent Maurice Barkin, president of the Council of Canadians, that Ottawa judged

the crisis to be a critical one. "We stepped over what we had to do," she said. "I would argue that shows the seriousness of the instability."

Mexico City may never call upon that \$1.5 billion—part of a package that included \$9 billion from Washington and another \$8 billion from Europe's Bank of International Settlements and private banks. Indeed, now Bank of Canada officials, requesting anonymity, told Maclean's that the credit facility is "a tonight currency swap" that covers "essentially no risk." If the value of the peso falls, costing Mexico more to repay the Canadian funds, he explained, Mexico is obliged to make up the difference or forfeit the posted collateral. Still, Barkin pointed out, should Zedillo need to cash in on the offer, that could have potential repercussions here. "If they were not able to pay their debt," she warned, "the Canadian taxpayer would be responsible."

To many, the possibility seems all the more astounding at a time when the government is already warring of draconian cuts to come, especially in social programs, in the February budget. For his part, Alberta MP Bob Mulroney, former foreign affairs critic, said he was prepared to take the Bank of Canada at its word, but many of his con-



Mexico's Ortiz trying to reassure markets

the American Fund of Thimark Investment Management Inc. in Toronto. "But what it has pointed out to people is that there is risk in the region. It isn't as stable as once it was."

For the Toronto-based lawyer John Labatt Ltd., which paid \$700 million for a 25-percent stake in Mexico's second-largest brewery, Pilsener Cerveza SA, last July, the degree of Mexico's devaluation crisis hit particularly hard. "We anticipated there would be some devaluation in the near term," said Anne Simonsen, Labatt's vice-president of corporate affairs. "But we had really not contemplated it would dip as drastically as it did." With such a large piece of Pilsener, that means "obviously the investment doesn't have the same value as it did," he said. "Those operational earnings, converted into Canadian dollars, will be lost." Still, Labatt, like many other Canadian corporate investors, insists that it remains optimistic about Mexico's long-term potential for economic prosperity.

The most urgent question loomed over the short term—and how the Mexican government deals with \$10 billion in high-interest, short-term bonds, known as tesos, which fall due at the end of March. If Zedillo and Ortiz cannot persuade international investors to roll them over, the country could very well confront the next in a predicted series of credit crunches.

The resolution of that problem will also rest on how well Mexico succeeds in repairing its battered international image—an image that was carefully cultivated to win approval of the controversial NAFTA pact in the U.S. Congress through a lavish \$10-million public relations campaign. Paradoxically, in fact, some critics of the trade deal are now blaming the very success of this effort for the country's current financial crisis.

In an effort to silence such critics of NAFTA as Texas billionaire and 1992 presidential candidate Ross Perot—who warned of "the next smoking gun" as American plants fled southwestern to profit from cheaper Mexican labor—former



Zedillo on the campaign trail with his wife in 1994, after defeat

PHOTOGRAPH BY

pendent Salinas had kept the peso valued artificially high, and that masked many of the country's underlying structural problems. Meanwhile, he kept the economy booming, not with increased exports and production, but with more borrowing and with a wave of privatizing state-owned enterprises. Said NAFTA critic Lawrence H. White of Washington's Council on Hemispheric Affairs: "It was like a giant Ponzi scheme."

Even after NAFTA's passage, a series of crises conspired to prevent Salinas from achieving his dream: first, the 1994 peso crisis; then in China, which began to shift

investor confidence; then the March assassination of his designated presidential heir, Luis Donaldo Colosio, in last August's presidential election. Traditionally, outgoing Mexican presidents have paved the way for their successors from the Institutional Revolutionary Party, which has been in power since 1929, by taking on a devaluation of the peso as their parting gift to office. But Salinas failed to do so, because, some charge, of his ambition to become the first head of the new World Trade Organization.

In fact, the opposition Party of the Democratic Revolution (PRD) claims that it is

considering filing criminal charges against Salinas—as well as former finance secretary Pedro Aspe Armella and former trade minister Jaime Serra Puche—for acting in his own interest rather than for the benefit of the country. But some opposition critics also blame Washington, which posted a \$38-billion trade surplus with Mexico last year thanks to the overvalued peso, which kept U.S. imports cheap. "Salinas is not only an egoist," charged Jorge Calderon Salazar, a former legislator and economic adviser to the PRD. "I think the United States also prevented him to keep the peso stable to enjoy a huge trade surplus."

Whatever the reasons, his inaction solidified Zedillo with the task before he had time to consolidate his hold on power—and with the Chiapas rebels already threatening the government's stability. But what most riled international investors was that this time the abrupt devaluation of the peso came only 30 days after they had been assured no such move was imminent by Serra Puche, who had been the chief point man on the NAFTA negotiations. The next morning in some markets a punishment for that sense of betrayal, still, the political masterstroke of the unexpected Serra Puche proved no more reassuring.

Nor did Zedillo's initial efforts to explain his move to international investors. Calling that first meeting in New York two weeks ago, the Mexican leader's anger over Canadian media. Ever this time around, the government now proudly left off its invitation for the Bank of Nova Scotia, the only Canadian chartered bank with a direct investment in a Mexican financial institution—a 10-percent share of Grupo Financiero Inverlat S.A.

For now, to bring in more foreign currency, Zedillo has loosened another series of prohibitions—upgrading the country's ports, railroads and telecommunications sectors—at free-market prices that as Value University's Camp points out, "There aren't many good deals." And the just Zedillo wrestled from Mexican unions to accept seven-percent wage increases—a negotiation that dragged on for 22 hours and led forced him to delay a planned televised speech to the nation—may bring about more recent unrest at the top. Mexico's inflation reached 18 per cent by the end of this year. Said Camp: "How much longer will labor be willing to accept?"

Ironically, the devaluation will strike Mexican exports—and labor—more adversely. And that could prompt the very prospects that Washington and Ottawa seek first. Here's a "great sucking sword" of jobs heading southward across the Rio Grande. But few at any of the NAFTA capitals wanted to think about one of the desired consequences of the crisis. Mexico had consistently insisted at its economic talks to the leaders of the money markets. As Relevo's Bob Mills pointed out, "It's a warning to us. The same thing could happen to us."

MARK McDONALD with WARREN CALDWELL in Ottawa and SCOTT MORRISON in Mexico City

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# Business NOTES



## NEW JOBS CREATED

The national unemployment rate was 9.6 per cent in December, unchanged from November. But Statistics Canada also reported that the economy gained 362,000 new jobs in 1994, the most since 1987. Almost all the new jobs were full time, and they were spread across all regions of the country in both manufacturing and services industries. The average unemployment rate for 1994 was 10.3 per cent, the lowest since 1991, down from 11.3 per cent in 1993. The 1994 unemployment rate fell in all provinces except Newfoundland, where it rose by 0.4 per cent to 30.8 per cent.

## ROLLCALL ROLLBACK

Some 600 jobs will be cut from the Northern Telecom Ltd. plant in Brampton, Ont. Another 150 jobs are being eliminated at the company's plant in Raleigh, N.C. In July 1995, as part of a massive restructuring plan, Northern Telecom announced plans to cut 5,700 jobs—including 2,000 in Canada.

## OVER AND OUT

Howard Osborne, the former president and chief executive of Maclean Hunter Ltd., has joined BGC Inc. of Montreal as chief financial officer. The departure of Osborne, a 40-year-old chartered accountant, coincides with recent regulatory approval for the \$3.1-billion takeover of Maclean Hunter by Rogers Communications Inc. of Toronto. BGC owns Bell Canada, the country's largest phone company, and directly competes against Rogers in both the long-distance telephone and cellular telephone sectors. Osborne also becomes chairman of sci's directory publishing unit, Tele-Direct Publications Inc.

## A JUICY DEAL

Seagram Co. Ltd. of Montreal shuffled its assets as part of a structural overhaul of its operations. The company spent \$355 million to acquire the fast-food business of Dole Food Co. of Los Angeles. At the same time, Seagram also sold the bottling division, including winehouses and wine cellars, of its French wine company, Barton & Gaudet Wines.

## ASSEMBLY REQUIRED

A riotous without by 5,000 automakers temporarily shut down General Motors of Canada Ltd.'s only assembly plant in Quebec last week. Production ceased when the workers walked off their jobs at the Bouchard factory, north of Montreal, to protest orders from a Vancouver, B.C. based firm to force them to work with an injunction from a Quebec court.

# Navigating through the world of RRSPs

# IN



Part 1

...the RRSP, investing in an RRSP — doing it well — is more important than ever. With our economy still growing, the money you can accumulate simply may not be there when you need it. You're already financially secure, so it's a time to save and look after your future. Says Peter Campbell, manager of mutual support for RRSPs at the TD Bank: "That's what RRSPs are all about."

The bulk of Canada's population is now entering the middle years and beginning to think about retirement. The bulk of the real estate market is now in the 45- to 54 age range. These uses may not turn out to be as expected. Major retirement plans are in jeopardy. Even the 45 per cent of Canadians who have private pensions feel uneasy.

At the same time, those who have been successful at regularly saving for retirement have built up larger funds, also, spurring the financial services industry to come up with a broader range of products, many of them disproportionately complicated to the ordinary investor.

To help with that information overload, Maclean's is presenting a two-part RRSP primer. Part 1 explains the basics of RRSPs and how to take maximum advantage of them, as well as recent and possible future developments. Part 2 shows you how to develop an RRSP strategy. Part 3 highlights some common mistakes when putting that strategy to use.

**A COOL BREEZE:** At the annual North American International Auto Show in Detroit last week, Chrysler unveiled the Plymouth Breeze. A sibling to the Chrysler Cirrus and the Dodge Stratus, the Breeze is slated to maintain in 1995. It will be available with a full-length retractable, power-operated roof.

## Banks branch out

The Canadian Imperial Bank of Commerce has become the first Canadian bank to offer personal auto insurance to its clients. The bank launched the service in Ontario, but expects to expand it to other provinces and provinces. It is targeting two per cent of the \$6.2-billion Canadian auto insurance market by 1997.

Initially, CIBC plans to make inroads in the \$4.3-billion Ontario car insurance market by selling directly to the public. Under current rules, banks are not allowed to use their direct data or vast branch systems to sell insurance. The banks are hoping those restrictions will be removed when the Bank Act is revised in 1997. The Toronto-Dominion bank is currently waiting for regulatory approval to start an insurance subsidiary.

The Ottawa-based Consumers Association of Canada endorsed the possibility of banks offering lower-cost auto insurance, but it also expressed concern that banks may try to do more sales to other bank services or limit customer choice. The association also said that it is worried that banks might use the con-

fidential information they acquire about customers "to reject the higher risk customers and just sell to the cream." Data on Ontario car insurance have been rising sharply—13 per cent higher on average in 1994 over 1993—as insurers respond to higher costs.

## Logjam

Slocan Forest Products Ltd. of Vancouver urged its shareholders to reject an unfairly \$600-million takeover offer by Cadot Corp., also of Vancouver. Slocan boarder and president Irving Barber said that he believes the offer is unfair and unreasonable. Cadot's offer expires on Jan. 10 in full-page newspaper advertisements. Barber declared that it has a better record of growth than Cadot and would grow faster if independent.

In late December, Slocan issued a statement asking the B.C. Supreme Court to decide if the proposed deal represents a change of control. Slocan claims that if a change of control takes place without the prior approval of British Columbia's forest minister, its licensee timber licenses could be cancelled or its annual cut reduced by five per cent under the provincial Forest Act.

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## UNDERSTANDING THE RULES

To start with, let's review some of the basic rules about RRSPs and how you can benefit. A warning, however: Like anything to do with tax, the RRSP rules can get complicated. So if you want to try something new, it is a good idea to check with an accountant or financial adviser to make sure it's possible and will work to your benefit.

**What is an RRSP and why should I have one?** Basically an RRSP is your own private pension plan. The government allows you to put money aside in a special account, registered with Revenue Canada, to save for your retirement. Each year you can contribute up to a set amount, based on your income.

RRSPs are a better way of saving for two reasons. First of all, you do not pay any tax on the money you make in your RRSP until you withdraw it. So your RRSP savings accumulate a lot faster than other investments.

Secondly, you can deduct the amount that you contribute to your RRSP from your taxable income. Depending on how much you make and what role you are taxed at, that could result in considerable savings.

**What you do with the money in your account is up to you, and that is where the problems start for many people. More about that in Part 2.**



[ How much can I put in? ]

For 1994, the maximum you are allowed to contribute is \$13,500 or 18 per cent of your taxable income, whichever is less. Revenue Canada should send you a Notice of Assessment letting you know what you are allowed to contribute. They base their calculations on your 1993 income. For most people that is your salary (Box 14 of your T4 slip), but it may also include other income — such as the net amount you made from any business or rental property or any money you received as alimony. And you must also subtract from that figure any benefits you received from an employer-funded Registered Pension Plan (RPP) or Deferred Profit Sharing Plan (DPSP). (You can find this amount in Box 52 of your T4 slip.)

If you lose your Notice of Assessment, you can phone the Tax Information Phone Service (TIPS), listed in the Government of Canada section of the Blue Pages under Revenue Canada. By keying in your social insurance number and birth date, and your total reported income (line 150 of your 1993 tax return), you can find out your contribution limit.

[ When should I contribute? ]

If you want it to count in your 1994 tax return, you have to contribute to your RRSP by March 1, 1995.

But it is better not to wait until the last minute. Not only is it difficult to come up with that money all at once, you will also



[ What if I cannot come up with the cash? ]

There are several options if you're short. First of all, other investments could be moved into your RRSP — stocks or Canada Savings Bonds, for example. To do this, however, you'll need to have a self-directed RRSP plan that allows you to have a number of different kinds of investments.

Fortunately, you do not have to put the money in this year. You've got up to seven years to make up the amount you missed. You can make the contribution in a later year and deduct the contribution on that year's tax return. So if you have missed in earlier years, try to make it up later. (Do not let that option become an "I-can-always-do-it-next-year" excuse, however. "The carry-forward can become a curse rather than a blessing," says Warren Baldwin of TE Financial Consultants. "I've seen people who have RRSP carry forwards bigger than their income.")

get a greater financial benefit if you contribute earlier. Ideally, you should put the whole amount you plan to contribute in as soon as possible. That means you get tax-free interest on your retirement money throughout the year. And that can make a big difference when you get to retirement. For example, if you put \$1,200 into your RRSP on the deadline, every year for 25 years and it makes 6 per cent interest, you would end up with \$65,837. But if you put it in at the very beginning of the year, you would get \$69,788, or almost \$4,000 extra.

Of course, it may be just as hard to come up with that contribution at the beginning of the year. So another good choice is to contribute every month. Using the same set of assumptions, you'd end up with \$67,977 after 25 years — still over \$2,000 more than if you would waited for the deadline. And of course, the greater the amount you contribute each year, and the higher the return you get in your RRSP, the bigger the pay-off from contributing earlier in the year.

Virtually all financial institutions and investment companies now offer automatic withdrawals that will take money from your account every month for your RRSP. Depending on what you have arranged, usually the money goes to buy a particular investment every month. (If you are sending the money into a self-directed RRSP, make sure the money does not just sit there.)

If you are in one of these plans you can also arrange with Revenue Canada to lessen your tax bite now, rather than waiting for a refund later.

Regular contributions will also help your return on investment. "If you contribute a lump sum close to the contribution deadline," explains Lorie Hamilton, marketing manager for retirement services at Royal Trust, "you're subject to the interest rates and mutual fund values at a given point in time. If you spread it around through the year chances are you'll do much better because of what is known as dollar-cost averaging."

#### VIEW POINT

"Teresa and I hope to retire between 50 and 52. So we have a goal, we know how much money we want to have and how much we need to put away."

"We meet with our advisor once every six months. We look at the funds and how they're doing and he recommends any changes. I know some people do their own RRSPs. But I find I don't have the time and I don't understand all the funds well enough. So I don't mind paying a small fee to have someone else do it. These funds have professional people who are paid to look after the investments. If the funds don't perform, those people don't get paid."

"Right now we've probably got around a 70-80 high risk to low risk mix. The theory is when you're younger you put more money into high risk and when you're older you switch to low risk such as mortgage or bond funds."

"I honestly feel when I retire, if there's a government pension plan that's great. But you can't really count on it. And if it's not there, we'll be fine."



CHRIS AND TERESA BRIMWELL

VITAL STATISTICS:  
34, married nine years,  
one child  
Location:  
Thunder Bay, Ontario

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YOUR RRSPs  
YOU NEED A PLAN.  
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<sup>1</sup> Funds to be used for a RRSP available at Bank of Montreal (excluding self-directed RRSPs). <sup>TM</sup> Trade mark of Bank of Montreal.

Here is an interesting, related point: you do not have to use the tax deduction in the year you make the contribution. For example, suppose you did not make much money this year, but you know you will do well next year and you dread the tax you will have to pay. You can make your RRSP contribution this year but wait until next year to deduct it.

Another option is to borrow money. Of course, if you take out a loan you will have to pay interest on it, but the taxes you save, plus the tax-free interest you will make, will usually more than make up for the interest you pay. If you know you will be getting a refund on your income tax in a few months, use that to pay off the loan. Many banks and trust companies offer good rates on RRSP loans and no-payment options as long as four months — by which time your tax refund should have arrived.

None of that matters, however, if you cannot pay back the loan. Only take out a loan to contribute to your RRSP if you have a good expectation of being able to pay it back on time without undue hardship.

#### [ What if I put in too much? ]

That's a good "mistake" to make, because you are allowed to over-contribute to your RRSP by up to \$8,000 throughout the life of your plan. Although you will not be able to deduct this amount from your income, it does mean you have got extra money in your RRSP earning untaxed interest for your retirement. And if you are short of cash in some future year, you can use that over-contribution to them, claiming it as your contribution for that year and deducting it from your income tax.

However, if you go over that \$8,000 mark, you will have to pay interest of one per cent a month on it until you either take it out of your RRSP or use it for another year's contribution. So keep track of the amount and any other pension plans — your company plan, for example — that could push you over the \$8,000 mark.

#### [ Can I take money out of my RRSP? ]

Yes, unless your RRSP money is in some kind of locked-in investment, such as a term deposit or GIC. However, depending on what your income is at the time when you take it out, you will probably have to pay tax on it.

It's a good idea to put all the savings you can into your RRSP, even if you think you may have to take some of that money out later, says Peter Campbell of the TD Bank, because you will make more money on the savings you have in an RRSP. "People say, 'Yes, but I might need it in an emergency. But first of all, the emergency may never happen. Secondly, you will have to pay tax if you take it out, but you would have

had to pay tax on that money anyway. And the most likely emergency is loss of employment — so if you take it out it may be tax-free because you don't have any other income at that time."

#### [ Can I contribute to an RRSP for my spouse? ]

Yes, and in certain cases it is a good idea. Say you make a lot of money and your spouse makes less. As a result, you are in a much higher tax bracket and pay more tax. If you put part of your money into your own RRSP, then that situation will continue after you retire. You will be withdrawing all that cash from your RRSP — and paying lots of tax on it — while your spouse continues to withdraw and pay a modest amount. Between you, you're paying more tax than you would if your incomes were about the same.

So the way to get around that is to take some of your annual contribution and put it into your spouse's RRSP. That way, when you retire, your incomes will be about the same, your income will decrease and your spouse's will increase. That between you you'll be getting the same amount of money and you'll be paying less tax on it.

And in the meantime, while you are contributing, you still



**VIEW POINT**

**MAUREEN AND GLENN WORRELL**

**Vital Statistics:**  
40 and 43, married 3 years, one child

**Location:**  
St. Stephen, N.S.

"Borrow and I think that RRSPs are important. I've advocated them quite strongly to the people who work for us and with us. Especially younger people, because the younger you start the better off you'll be. We didn't start our RRSPs until 1985. I wish that we had started younger. When you stop and think, you save money for a house, you save money for a car, you save money for furniture. Why wouldn't you save money for yourself?"

"We used to just go to the bank line whenever they had and that was it. Then in 1980 we decided we should be a little more serious and seek a professional investment person, because we realized there were other options."

"We rely quite heavily on the advice of our investment professional to determine where we should be putting our money. We're willing to take a certain amount of risk. But we work hard for our money and we certainly wouldn't want to lose it. We put about 60% in more short, interest-bearing investments and 40% in funds."

"It's important to find somebody who can talk to you in everyday language. You shouldn't be afraid to ask questions — after all, it's your money."

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**Invest wisely:** Important information about the STAR asset allocation program is contained in the simplified prospectus of the Universal Funds. The Industrial Group of Funds and by Funds. Obtain copies from an investment advisor and read them carefully before investing. Unit values and investment returns of each fund within your STAR portfolio are not guaranteed and will fluctuate, as will the overall market value of your STAR portfolio reflecting changes in the value of the underlying funds. Review your investment risk/reward objectives on a regular basis with your financial advisor to determine whether a change to a different STAR portfolio would be appropriate to reflect changes in your personal investment goals.

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get to deduct your contribution from your own income.

There is been a change in this area. You also used to be able to still receive from certain company pension plans into your spouse's RRSP and claim it as a deduction from your income. As of January 1995, you can no longer use the "spousal rollover" to save tax.

**[ What happens when I retire? ]**

You can keep on saving in your RRSP until December 31 of the year you turn 71. Trouble is, when you take the money out of your RRSP, it immediately becomes taxable. Fortunately you don't have to cash in the whole thing at once. You can transfer the funds to a Registered Retirement Income Fund or an annuity. You'll receive regular amounts to live on and pay tax on that income. But it is crucial that you make those arrangements before December 31, or you could get a nasty tax surprise!

**[ Are there any other changes I should know about? ]**

Although it is not a change to RRSP rules, the end of the capital gains tax exemption could affect what you should put in your RRSP. Until February 1994, everyone was allowed to make up to \$800,000 in tax-exempt capital gains. You could make as much as \$400,000 by selling your cottage or shares on the stock market without having to pay tax. So as long as you had not used

up your limit, you saved no tax by putting stocks in your RRSP. Now that the exemption is gone, it makes more sense to use it to include stocks in your RRSP. However, only 75 cents of every dollar in capital gains are taxed and you receive a tax credit on any dividends you receive from your stocks. So if you have to choose between having your equities or your fixed income investments in your RRSP, it still makes more sense to favour tax deductions to keep the equities outside your RRSP.

**[ Should I be worried that the government may change the RRSP rules? ]**

One of the best reasons to use your RRSP, some advisors believe, is because in the not too distant future, the RRSP as we know it could change radically or disappear altogether.



Among the possibilities: decreasing the contribution limit; taking what's in the RRSP; taking away the right to deduct the contribution from your taxable income; changing the deduction to a tax credit, which would cut the tax saving.

But Ties Hacker, former minister of main, finance and former minister of international trade, thinks it is unlikely there will be significant changes. To change RRSPs would create two classes of Canadians, those who have defined benefit plans to rely on and those who have nothing, not even RRSPs. Not only would that be unfair, says Hacker, now president and CEO of the Investment Funds Institute of Canada (IFIC), it would create exactly the situation the government doesn't want. "I've seen the books of the government of Canada and I know there will not be enough money for the government to insure everyone a reasonable, comfortable retirement. So the worst thing the government could do is diminish the public's ability to save because it would just have more people on public assistance."

*Written by Diane Foster, a freelance Toronto writer*

## VIEW POINT



**CATERINA PATANE**

**VITAL STATISTICS:**  
28, Single  
**LOCATION:**  
Winnipeg, Manitoba

"I bought my first RRSP term deposits as soon as I graduated from pharmacy school. Since I had nothing to claim on my income tax, I really needed the deduction. Then as soon as I bought my house and got my mortgage, I said, Okay, it's time to get my RRSP in order too. "Seventy per cent of my money is still in the term deposits. The other 30 per cent is in mortgage funds. Once I get more settled in my house payments, I'll get into something with more potential to grow. At this time in my life, when I'm making money, I can afford to take some risks."

"I've worked hard for my money. So it means a lot to me. I'm not counting on the government to give me a pension. And I'm not relying on a company pension because someday I hope to have my own pharmacy. I don't have anyone to lean on. I have to do it for myself."

Look for Part 2 in Maclean's January 30, 1995 issue.



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## THE NATION'S BUSINESS



# If Canada is a zoo, it's a jungle out there

BY PETER C. NEWMAN

Only four months ago, when the last Russian troops left Berlin, shattering their final European bastion, the farewell ceremonies were marked by speeches from Boris Yeltsin and Helmut Kohl. When the Russian president made the point that 200,000 dead Army soldiers who helped defeat Hitler lay buried in Germany and the German chancellor said back that "The Wall and its barbed wire were a heavy and enduring burden on our relationship. Later the same day, speaking at what was formerly East Germany, Yeltsin called for an end to Cold War rhetoric. "Today," he proclaimed, "is the last day of the past."

Maybe. But it was also the first day of the future, and what's happening in the world to date doesn't quite add up to the peaceful climate promised when the superpowers stopped trading threats.

The UN Development Program reports that 17 nations—including Egypt, Russia and Iraq—are in immediate danger of social disintegration, due to regional disparities in wealth and income, food shortages, ethnic conflicts and rights abuses. John Le Carré, the British novelist who misleads solid connections with Western intelligence sources, recently estimated that at least 100 wars are currently being fought around the globe, each claiming its dead and wounded. During the past decade or so, a dozen halves of governments were either assassinated or deposed and executed. That grim tally (which) among its victims the politicians who once ruled Liberia, Nicaragua, Egypt, Bangladesh, Iraq, Albania, Greece, Haiti, Sweden, Pakistan and Romania. Rights abuses in present suffer the agony of having parts of their geography occupied or threatened by local terrorist groups. The downtown cores of European cities are being besieged by rising groups—led by 20 nations excepted—of increasingly desperate unemployed men and women. And there could be a few more Bosnians on the horizon. Now, for the really scary stuff. According to

*'People are taxed to the limit and if levies are raised again, those with the best brains and marketable skills will leave the country'*

Glen E. Schweitzer, the former director of the International Science and Technology Center in Moscow—funded by Western nations to help recruit and reemploy former Soviet nuclear scientists—at least 60,000 of the 100,000 or more top scientists and engineers who developed the Soviet Union's remarkable nuclear, biological and chemical weapons systems during the Cold War, are now under or unemployed. "Of great concern," Schweitzer reports, "are tens of thousands of Russian scientists and engineers in search of commercial business in China, India, Spain, Iran and other countries. Russia is also heavily populated with foreign organizations engaged in activities behind closed doors that open only for chosen customers. And at some in the electronic age, transferring information abroad for a price is not difficult."

Boris Yeltsin's misadventures in trying to quell the revolt in Chechnya could so badly undermine his authority that another coup d'état attempt may succeed. While Yeltsin feels that he cannot peacefully negotiate the dismantling of the Russian Federation, at least half of its constituent republics are threatening to secede, and its economy appears just months away from collapse.

Back home, the situation is less bloody but hardly more hopeful. "My feeling," says Andy Serles, the Bay Street duty who watches trends from a worldwide perspective, "is that if the Canadian government is not able to cope with the deficit on one hand and resolve the utility problems on the other, the outflow of Canadian capital will be devastating. Investment money will disappear from Canada as fast as it's now leaving Mexico. People feel they're already being taxed to the hilt and don't want any levies—any, raised again, those with the best brains and most marketable entrepreneurial skills will leave the country."

In the Middle East, quite apart from the continuing Israeli-Palestinian tension, the area is successfully perpetuating its reputation as the world's most lethal potential powder keg. The chief threat is from defeated to destabilize long its neighboring states of Turkey and Azerbaijan. Iranian President Ruhollah Khatami is attempting to organize a bloc of aggressive rogue states, including Libya, North Korea, Sudan, Cuba and Iraq, to combat American "imperialism" around the world. Iraq itself hasn't given up the struggle for control of the Kuwait oil fields, the theory being that if Saddam Hussein can inflict enough damage on Iraq's enemies, the embargo will have to be lifted on his oil fields. The Saudis are having their own troubles combating domestic Islamic radicals and trying to deal with an economic downturn that is adding to the mounting burden of the country's \$140-billion external debt, nearly to the United States.

After bagpipes in its usual turmoil, with revolution looming in Swaziland and international civil wars being fought in Rwanda and Angola, with bloodshed expected in Nigeria, where there is mounting opposition to the repressive military government. On the Asian side of the globe, the Japanese economy, once the epitome of cost efficiency, continues to be in such a state of despair that most money men spend more time praying at Shinto shrines than trading in their offices. As the mid-1990s deadline for Hong Kong's return to Chinese governance, real estate is selling at, with the local stock market in the toilet and many of the colony's most prestigious investment houses getting ready to fly the coop. In China, everything awaits the imminent death of Deng Xiaoping, and the leadership transition promises to be tumultuous. A coupling of Sino-American relations is likely and there are fears among the Taiwanese of a continued Chinese invasion. China's main internal problem is that its coastal economies, which are attracting most of the foreign capital, are a world apart from the poorer inland provinces.

Back at South America, a world war is mounting slowly in Uruguay, and Mexico is in the most perilous position among Latin American countries. Quasi-spontaneous economic crises, now popular rebellions are springing up in at least three states and the military is being sent to quell the mounting Zapatista rebels in Chiapas are now being armed from Nicaragua.

Back home, the situation is less bloody but hardly more hopeful. "My feeling," says Andy Serles, the Bay Street duty who watches trends from a worldwide perspective, "is that if the Canadian government is not able to cope with the deficit on one hand and resolve the utility problems on the other, the outflow of Canadian capital will be devastating. Investment money will disappear from Canada as fast as it's now leaving Mexico. People feel they're already being taxed to the hilt and don't want any levies—any, raised again, those with the best brains and most marketable entrepreneurial skills will leave the country."

## THE WAR ON

## FAT

BY PATRICIA CHISHOLM

It's lunchtime at the Traffic End Cafe, and the clatter of cutlery threatens to overwhelm the chatter of hungry diners. Blue tablecloths and white napkins help make the setting cozy, but the similarities to an ordinary restaurant end there. Located in a former high school in North Vancouver, the Traffic End is where novice chefs learning new, low-fat cooking techniques get to test their skills on intrepid students, staff and local residents. Such is the restaurant's popularity, however, that anyone without a reservation is out of luck. "This type of cooking doesn't have to mean lean spinach and tofu," says 27-year-old owner James Kennedy. Diner Jeanette Hardie seems to agree. A regular staffer, Hardie is digging into beef Stroganoff, a dish that usually seems heart-clogging spectacles of butter and cream but that, in Kennedy's hands, gets most of its flavor and texture from a strong beef stock and herb-infused yogurt. Tired fat? Only 85 grams, about 16 of the recommended daily intake for women. "Everything I want to eat is either digest, unmarin or delicious," Hardie says. "But this is excellent. I couldn't eat all I was used to."

Maybe those New Year's resolutions to start eating right won't be so hard to keep after all. By now, almost everyone knows that too much theory fat can kill. Still, after nearly two decades, the North American, with their preference for meat, dairy products and fried foods, are far more likely to die of heart disease, cancer or diabetes than people who live in countries where rice, fish and vegetables are dietary staples. According to a 1994 survey by the Ottawa-based National Institute of Nutrition, more than four out of five consumers say they are concerned about reducing dietary fat, and many are proving it by swapping up low-fat coldkisses and food products. A few may be hoping that the fight against fat is just another fad, as likely as fads as past campaigns against sugar and salt. But nutrition experts say they have seen the future—and it is low-fat. "This is a very, very important health issue," says Richard Schabas, Ontario's chief medical officer of health. "As a society, we need to rethink for whole idea of what's important to us in terms of food."

But knowledge is one thing, action another. For too many people, passing up a plate of cheeseburgers or an ice-cream cone means sacrificing a

## DESPITE THE LURE OF FAST FOOD, NUTRITIONISTS SAY THEY HAVE SEEN THE FUTURE—AND IT IS LOW-FAT

annual pleasure along with the calories and grams of fat. Consumers also appear to be confused by the low-fat message. "There should be a double focus," says Suzanne Horditch, president of the National Institute of Nutrition. "If people only reduce fats and don't increase fruits and vegetables, and especially grains, they are not substituting their plate properly." Identifying high-fat foods is another stumbling block. Labelling on food products can be complex, misleading or even non-existent (page 52). By the time many people reach the kitchen, good intentions have evaporated in a tsunami of confusion and resentment. Cheeseburgers are easy, tasty and fast, but eggplant courgettes sound dull and demanding to prepare. And then there is the joy of simply being bad. "People want an escape from being virtuous," says Toronto dietitian Rose Schwartz. "They get fed up and end up going for the pleasure revenge of a gooey dessert."

The news about fat, though, just keeps getting worse. As early as the mid-1960s, heart patients were advised to avoid certain high-fat foods, especially the saturated fats found in animal products like butter, cheese and red meat, which can promote plaque-like deposits in arteries and lead to heart disease. By 2007, researchers concluded that the total daily intake of all types of fat should not exceed 30 per cent of calories. For the average woman, that means about 600 calories per day from fat, or 65 grams of fat (one gram of fat contains about nine calories); for the average man, it is about 900 calories or 90 grams of fat. Of that amount, only 10 per cent of calories should come from the saturated fats, mostly found in animal products. The remainder should be made up from plant sources, such as vegetable oils. In recent years, average fat consumption has fallen from about 43 per cent to between 34 and 36 per cent of total calories, contributing to a significant decline in heart disease over the past three decades.

But that is still not low enough, experts say. Heart disease remains the leading cause of death in Canada, killing 75,000 every year. To offset poor dietary habits, which include too much fat but not too many vegetables and grain products, still lead to blocked arteries. Although heredity and age can push cholesterol levels up, the single most important factor, Schabas noted in a recent report, is the amount of fat consumed. Some studies also claim that poor diets, including high amounts of fat, can be linked to about 30 per cent of cancer deaths—about 4,000 per year in Ontario—especially cancers of the bowel, breast and prostate. But other researchers, such as Walter Willett, chairman of the University of Toronto's department of family and community medicine, believe that most studies have yet to establish a definitive link between a high-fat diet and cancer. Rosser agrees, however, that it is prudent to cut back dietary fat to about 30 per cent of daily calories.

And, of course, too much dietary fat can lead to too much body fat. Obesity causes a wide range of health problems, from diabetes to heart disease to high blood pressure. And when it comes to losing weight, foods with a high fat content are often the first to go. "Fat is the last guy when it comes to losing weight because it is responsible for so many calories in the diet," says Peter Jones, director of the School of Dietetics and Human Nutrition at McGill University in Montreal. "With the exception of alcohol, it contains

ILLUSTRATION BY NINA



more than twice as many vitamins, "It's best to eat the whole food to make sure you get what you need!"

"People recognize they need to eat high-fat foods, but they don't resist the taste of high-fat foods," Bernard Marrett knows all about that. Marrett owns Salty's on the Waterfront, a restaurant on downtown Halifax. Most customers looking for seafood are drawn out of the store, he says, so he recently launched a steak special to coax more locals into the restaurant during the tourist-heavy winter months.

For many, though, the same snag of mid-shelf items, chips with gravy and chocolate brownies remains almost irresistible. Perhaps that is why North Americans are still loading up on fat. On average, women eat about 90 grams of fat per day, well over the 65 grams that is recommended, men consume about 110 grams of fat per day, instead of the maximum of 90 to 100-gram chocolate milkshake since can contain about eight grams of fat. In fact, North Americans are actually getting heavier as average adults weigh about eight pounds more than they did 30 years ago. Sedentary lifestyles, increased alcohol consumption and a decline in smoking (nicotine suppresses appetite) are partly responsible. But so are eating habits that include too much food overall, as well as too many high-fat foods. "I watch what people put in their mouths, and there is a real dichotomy between what they say they are doing and what they are actually eating,"

says Denise Morris, a nutrition expert in Winnipeg, has left the familiar tag of just such habits. The five-lob, 104-inch cornmeal has placed about 40 lb since joining the around 1980 when he was 18, and now weighs 235 lb. But he was unable to stick to a lower fat diet until a car accident in 1992 brought his life-to-life with his own mortality. Two years later, Arthur is still in physiotherapy and his doctors have advised him that a diet with less of the bacon and eggs and chocolate he loves could greatly improve his quality of life. "I'm human and I love to eat those things," he says, "but I don't want heart surgery on top of everything else."

Arthur's recipe for eating fat, choose lesser cuts of meat, keep a careful eye on serving sizes, and eat more fruits and vegetables.

For those already new to low-fat eating, one of the best places to start is Canada's Food Guide. It is helpful to remember, however, that the guide was revised in 1992—its first major overhaul in about two decades—after years of consultation with independent researchers and representatives from the food industry. As a result, most experts broadly admit, as researchers (fat) is a compromise. Some, like Schwartz, believe the guide may be too vague for consumers who are trying to reduce fat, especially in its recommendations on meats and dairy products. Others, like Montreal-based dietitian Helen Bishop McDonald at the Dairy Farmers of Canada, maintain that animal foods are where the calories in a high-fat diet lie, so many diets to disengage about and treat dry stands are more often the problem, she says.

Despite such disagreements, there is no question that the revised guide represents a fundamental shift away from a traditional North American diet. Although it offers no specific recommendations about fat, the guide makes plant foods, not animal products, the centerpiece of most meals. For the average adult, it recommends five to 12 daily servings of grain products and

including chemical elements that in turn stimulate pleasure centers in the brain associated with a feeling of fullness. The best way to battle toxic chemistry, food experts advise, is to change eating habits gradually, looking for substitutes with similar tastes, but less fat. That is not always easy, since the North American diet relies heavily on fat for flavor and texture—what some informants call the "mouth feel" of fat. According to Morris, adopting a healthier diet does not mean giving up that lost texture; it just means choosing wisely from a wide range of foods including leaner meats that may also be healthy. "There is no such thing as junk food," she says, "just junk food habits."

Bernard Arthur, 29, a carpenter in the Prince's Edward Canadian Light Industry in Winnipeg, has left the familiar tag of just such habits. The five-lob, 104-inch cornmeal has placed about 40 lb since joining the around 1980 when he was 18, and now weighs 235 lb. But he was unable to stick to a lower fat diet until a car accident in 1992 brought his life-to-life with his own mortality. Two years later, Arthur is still in physiotherapy and his doctors have advised him that a diet with less of the bacon and eggs and chocolate he loves could greatly improve his quality of life. "I'm human and I love to eat those things," he says, "but I don't want heart surgery on top of everything else."

Arthur's recipe for eating fat, choose lesser cuts of meat, keep a careful eye on serving sizes, and eat more fruits and vegetables.



**THE NORTH AMERICAN DIET USES FAT FOR FLAVOR AND TEXTURE—WHAT IS CALLED THE 'MOUTH FEEL' OF FAT**



## WHERE'S THE FAT?

The amount of fat a person should consume varies with age, weight, gender and level of physical activity. Health Canada suggests the following daily fat intake for the moderately active:

- Average man (25 to 49 years old): 90 grams
- Average woman (25 to 49 years old): 65 grams

The following chart lists the fat content, in grams, for popular foods.

### FRUITS AND VEGETABLES

1 medium apple	+
1 medium banana	+
green salad	+
4 spears of asparagus	+
1 cup of green peas	+
1 cup of broccoli	+
1 baked potato	+
1 ear of fresh corn	+
1 sweet potato	+
1 slice of watermelon	+
5 olives	+
20 french fries, deep fried	16
1 California avocado	30

### DAIRY PRODUCTS

1 cup of skim milk	+
—of 1% milk	+
—of 2% milk	+
—of homogenized milk	+
2 cups of chocolate milkshake	12
1/2 cup of regular frozen yogurt	+
1/2 cup of vanilla ice cream	+
—of premium ice cream	12
1 ounce of part-skim ricotta cheese	+
—of regular ricotta cheese	7
—of cheddar	30
1 slice of processed cheddar	30

### MEATS AND ALTERNATIVES

#### Beef

3 ounces of round, roasted, broiled	6
3 ounces of sirloin steak, broiled	9
—with fat trimmed	6
3 ounces of rib roast, trimmed	30
3 ounces lean ground, broiled	15

#### Chicken

3 ounces of breast, roasted	7
—with skin removed	5
3 ounces of leg, skin removed	5
—broiled and fried	14

### Pork

3 ounces of tenderloin, lean, broiled	4
3 ounces of centre loin chop, trimmed and broiled	6
3 strips of side bacon, fried, crisp	9

### Fish

3 ounces of tilapia, water-packed, oil-packed	7
3 ounces of halibut, broiled	1
—broiled and fried	7
3 ounces of anchovy, salted, broiled	7

### Processed meats

1 ounce of beefy roll	2
—of regular ham	2
—of corned beef	6
1 ounce of summer sausage	9
1 slice, beef or pork	1
1 sausage, chicken	7

### Meat alternatives

1 cup of soybean beans	1
1 cup of baked beans with pork	4
5 ounces of tofu	8
2 large eggs, poached	10
—fried	14

### BREAD AND BAKED GOODS

1 slice of whole wheat bread	+
—with 20mg of peanut butter	5
1 slice of white bread	+
4 soda crackers	1
1 bagel	2
3 medium french fries	4
2 small chocolate chip cookies	6
1 crouton	12
1 piece of apple pie	18

### CEREALS

3/4 cup bran flakes with raisins	+
1 shredded wheat biscuit	+
1/2 cup of instant oatmeal	3

1/2 cup of plain toasted wheat germ	+
1/2 cup granola, home-made	17

### PASTA AND RICE

1/2 cup of long-grained cooked rice	+
1 cup of spaghetti, with 1/3 cup meat sauce	5
3/4 cup of macaroni and cheddar	33

### YOGURT

1 tablespoon of margarine	4
1 tablespoon of butter	4
1 teaspoon of oil, all types	5

### FAST FOODS AND SNACKS

pretzels	+
1 cup plain popcorn	+
10 potato chips	7
1 doughnut, glazed	16
1 slice of Pizza Hut's Supreme (anchovies)	16
1 Taco Bell beef burrito	19
6 Cheddar Mc Nuggets	20
potatoes (20 with curls and sauce)	24

Big Mac	27
1/2 cup of sunflower seeds	38
1/2 cup of peanuts, oil roasted	38
1 serving of On the Border's Intoxicante Alberta	50

\*Daily trace amounts

Sources: Health Canada, the Food Information Centre, and various restaurants



five to 10 servings of fruit and vegetables, compared with just two to three servings of meat or alternatives and two to four servings of milk products. That may sound like a lot to eat in one day, but the guide's definition of a serving is fairly small. A serving of steak, for instance, is no more than 1½ to 2½ ounces, about the size of a deck of cards; a sandwich contains two servings of grain products—the bread—and a large glass of juice is equal to two servings of fruit.

The most significant change in the switch to grains: Their complex carbohydrates provide energy and fiber, and some contain important nutrients such as vitamins E, thought to have cancer-fighting properties that may cut women's risk of the idea of such a dramatic increase in grain products had to unfold. "We have a real negative image about starchy foods like bread in our society," says Allison Shepherd, assistant professor of nutrition at the University of Saskatchewan. "Since the 1950s, weight-loss books have warned that starches are loaded with calories—despite the fact that grain for grain, fats are the worst. Now, when people try to cut fat, they end not to cut most starches to compensate for fat calories they're losing." Shepherd says, "So what may happen is, they don't stick to the low-fat diet."

Vegetables are almost as important as grains. New studies are showing that fruits and vegetables in certain phytochemicals and anti-oxidant-rich foods are especially effective in protecting the body from various cancers. The action of such substances is only fully understood, but it is believed that the antioxidants vitamins A, C and E slow oxidation in the body by imaging up potentially dangerous molecules called free radicals. As a result, many and more researchers are emphasizing eating more vegetables, such as spinach. Deeply colored greens and orange vegetables are particularly useful, as well as citrus fruit and berries. And while vitamin supplements can be helpful, it may be wise to rely on berries on them. "We are not sure if it is specific compounds that give the protective, or a number of different compounds working together," explains Frances Berkey, a dietitian at Mount Sinai Hospital in Toronto. "It's best to eat the whole food to make sure you are getting what you need."



On the other hand, there is no need to obsess about meat or dairy products. Essential proteins and minerals are found in meat, poultry, fish and alternatives like beans. And there are ways to cut back on fat in meat—by choosing leaner cuts, for example. Mayonnaise-laden toast, salt sandwiches, and fat-laced salads and dressings should be avoided. A similar message applies to dairy products: The calcium and vitamin D in milk are key to healthy bones and can slow off osteoporosis in later life. Can sources can get the same benefits when they switch from two-percent milk to skim, while a lactating source of fat per gram. Some people complain that skim milk tastes watery, notes Stephen. But she says that many people find the creamier, custard-like whey they switched to two-percent from, homogenized milk. "Yes, fat does have a pleasing mouth feel," says Stephen. "But you can change mouth feel greatly with fat-free preservatives and then you are there, too—over-sweet."

Not all fats are created equal. The saturated fats found in animal products promote as increase in the cholesterol level in the blood and so contribute to heart disease. "Triglyceride oils

**Lunchtime at the Trio's Eat Cafe: replacing heart-dumping beef with cream with beef steak and low-fat yogurt**

as the faces of trans-fatty acids—when they have been substituted by a process called hydrogenation—can be just as bad as or worse than animal fats. Recent studies suggest that these fats, found in most kinds of fast-food margarine and in many packaged baked goods, may actually promote higher cholesterol levels. On the other hand, the polyunsaturated and especially the monounsaturated fats commonly found in vegetable oils such as olive and canola oil, do not raise cholesterol. Other "good" fats include omega-3 fatty acids found in such fish as salmon and trout, as well as in canola oil. These fats are required by the brain and retina, and help protect against cardiovascular diseases and some cancers.

Nutritionists also advise people to be aware of hidden fats in foods that are commonly thought to be healthy. "Toronto nutrition consultant Barrie Casselman notes that at fast-food outlets, the much-maligned hamburger often has less fat than chicken and fish sandwiches if the latter are breaded and deep-fried. And Casselman says that in some restaurants, dressing-drenched chicken salad contains more fat than almost any other item on the menu.

As overwhelming as the low-fat credo may seem, virtually every expert has the same advice: Start by making small changes, such as Stephen's suggestion about switching to skim milk, and do not try to keep an exact record by calculating every gram of fat you consume. "In the past, behavior triggered by counting calories was not necessarily positive," says Lynne D'Amato, nutrition project officer for Health Canada in Ottawa. "We

want to keep the pleasure of eating."

A low-fat cookbook or magazine might help. Toronto's cooking guru (House Star) recently published *Simply HeartSmart Cooking* in conjunction with the Heart and Stroke Foundation of Canada. Health and food are highly related issues, Star notes, and it is essential to avoid becoming panicked by the prospect of a personal food revolution. "People put so much pressure on themselves, they tend to give up before they get started," she says. "Think about new recipes as the week end when you have more time." Then start reducing fat slowly. "Instead of using two tablespoons of oil instead of two tablespoons," she advises, "it works just fine. A lot of things start to seem almost after you get into it." She notes that many others, who worry that a total ban on any particular food can simply create a craving that is bound to be met, sooner or later. "Have the chocolate brownie, but do it in small doses and have a smaller portion," she advises.

Another error was how to plan through so-called low-fat foods as if they contained no calories at all. "People think if they can stuff themselves if something is low in fat," says Elizabeth Hise, nutritionist at Canadian-based, Toronto-based Reddy WHI magazine. "It's not a license to eat as much as you want." And Hise notes that becoming comfortable with a low-fat regimen can take considerable time, especially for busy families. Although she has made a career out of nutrition and cooking, Hise says the pressures of raising three children while working full time make health eating a challenge, even for her. It helps to involve her children in meal preparation, she adds—"It makes a mess but they like being in the kitchen." And encouraging helps to prevent emotional problems with teenagers, a group whose eating habits

can be extremely difficult to police, since they begin eating out with friends.

Even in the low-fat world, however, change is in the wind: Some major chains have added salads and lower-fat breads. But that is still not enough to please everyone. Ma Chien Sutor, who teaches low-fat vegetarian cooking classes in Toronto, says that the 30-year-old Sutor decided to bring the message home in a wider audience. At a recent, he staged a sign reading "Greens on a sandwich" inside a McDonald's restaurant in downtown Toronto. The sign "promote" marched the human bodies, armed with signs. "I thought the sticker was perfect," he says. "It summed up a major idea in a funny way." The owner of the affected franchise was not amused. Sutor was convicted of criminal mischief under \$1,000 and received an eight-day discharge. He is appealing.

At the same time, however, restaurants are waking up to what appears to be a new market niche. The Heart and Stroke Foundation sponsors a program that allows restaurants to identify low-fat dishes that it has approved. So far, about 2,000 restaurants across the country have joined the program—including McDonald's, although not all of its franchisees are necessarily participating. Ursula Frater, a dietitian with the Heart and Stroke Foundation of B.C. and Yukon, says restaurant menus are great advice on healthy alternatives,

such as low-fat salad dressings and dressings, whole-grain cereals and raw or vegetables in salad or french fries. "The response from customers has been very positive," Frater says. And for the truly converted, there are restaurants such as O-Totto, The Kegs, Bar Chans in Vancouver, which specializes in low-fat fast food. Customers can order beef, carrot and cabbage juice with a party of brown basmati rice and vegetables in a tofu teriyaki dressing. Some items in the restaurant's menu also list grams of fat.

Much of the news on low-fat foods is heartening, if sometimes confusing. There is an abundance of advice, but much of it boils down to this: A balanced approach that includes more vegetables, a regular exercise, finding ways to lower everyday stress, and a slow but steady shift in dietary habits. It is unwise to adopt extreme measures, such as banning certain foods, experts warn. The best course, they add, is learning to love the foods that are healthy. Then as apple a day becomes a pleasure, instead of an obligation, a taste for whole wheat bread, skin milk and leaf lettuce can't be far behind.

By MARY NEMETH in Toronto and DAVID THOMAS in Vancouver

**FOR THE AVERAGE ADULT, CANADA'S FOOD GUIDE RECOMMENDS FIVE TO 10 DAILY SERVINGS OF FRUIT AND VEGETABLES**

## HOW COUNTRIES STACK UP

Developed nations in Europe and North America consume the highest levels of dietary fat. Lower developed countries in Asia and Africa tend to have very low levels, partly due to lower consumption of meat and dairy products. Countries in transition, such as Japan, show a steady rise in dietary fat, as traditional diets of rice and fish are supplemented with more Western-style foods.

COUNTRY OR REGION	PERCENTAGE OF CALORIES FROM FAT
Finland	39
Britain	35
United States	36
Canada	36
Japan	24
Korea	16
China	15
Central Africa	7



# THE FINE PRINT

PRODUCT LABELS ARE OFTEN MISLEADING



Dolly Leach used to hurry down supermarket aisles, reaching for her favorite meals and plopping them into her shopping cart. Then, at a discount list near the Montreal grocery store, her cholesterol level was too high. Now, Leach, 58, compares labels and carefully examines the fine print before deciding what to buy. "I check for saturated fat and cholesterol," she says. "I once bought some cereal and another says 6.5 grams of fat. I'll take the other." Leach isn't the only one. A survey by the Government of Canada's National Institute of Nutrition last fall revealed that 75 per cent of Canadians rely on product labels as their main source of information about food. The problem, authorities say, is labels are misleading tools—not just always trustworthy. With some products, says Bruce Birkh, a professor of nutritional sciences at Ontario's University of Guelph, "the consumer is in a nutritional minefield."

Canada's food-labeling regulations and guidelines often leave producers at a loss. "When it comes to labeling, there's a lot of confusion, a lot of disagreement, manufacturers are not required to provide information about nutrients—such as the amount of fat, fibre or water—unless they make a specific claim. For example, when a food is promoted as low-fat or fat-free, the label must declare the amount of fat in grams, the label on a 'light' product must specify how it is light, whether in colour, taste or texture. Updated by the United States, whose extensive new labelling rules

Curbside in the case under the rule is 'cholesterol free'—without any and eggs

went into effect last May, Health Canada intends to propose changes to nutrition labelling early this year. Margaret Cleary, the department's chief of nutrition evaluation, estimates that labels are improving but consumers should read them carefully. She adds "You shouldn't have to have a PhD to read between the lines." Canada goes even further, giving the labels are downright misleading. "There is valuable information on labels," says Judy Fraser-Ansari, a research associate at the Human Ecology department at York's Mount Saint Vincent University. "But some use electronics use claims as a marketing ploy. I buy beer unless they read it for me, unless they read it for me."

Food producers insist they are not fooling the better-labeled trend. "Manufacturers are strong proponents of giving labels clearly," says Laurie Curry, a vice-president with the Grocery Products Manufacturers of Canada. Currently, critics say, food producers can play by government rules and still lead consumers astray. Toronto

dietitian Rose Schwartz points to "cholesterol-free" cake mixes as easy but faraway shoppers who might not take an order stand—the fine print. Says Schwartz: "The dry mix is indeed cholesterol-free. But if you make it according to instructions, the fully baked, beautiful piece of cake pictured on the package is not cholesterol-free"—because the recipe may call for milk and whole eggs. "That's right," says of another common diet trap. Many people believe it has fewer calories, but it is in fact so refined that it has less fiber. "Light is flavor," notes the small print on the back, satisfying regulators at no cost. "When people go to the supermarket," says Schwartz, "they are confused—they don't always have time to read carefully."

Even with careful reading, consumers remain unaware of one harmful form of fat that now shows through labeling loopholes. "One of the worst of the less-healthy foods—does not have to be confused in the public," says Hilko (Trans-fat) acids are known when liquid vegetable oils are hardened into solid fats, a process that extends their life. Like saturated fats, they increase the risk of heart disease by raising the level of cholesterol in the blood. But they also confound the label by lowering the so-called good "protective" level of cholesterol. Hilko says "Many products marketed as cholesterol-free are actually high in trans-fat acids and likely to increase—not decrease—the risk of heart disease."

Few would question the consumer's right to know what is in the food they eat. But how much should go on a label? "I would like to see more information," says Tom Clemens, a researcher at the University of Alberta's department of nutritional science in Edmonton. "But it comes the risk that most consumers don't know enough to know what is in the food and how it is made." Suzanne Hendricks, president of the National Institute of Nutrition, worries that "the list of chemicals already too long" and advises, however, rather than more, information. Canada, she notes, has a unique problem: with so many languages, space is especially limited.

For better or worse, Canada also has an open way of doing things. Unlike the United States, where Congress simply imposed intensive labeling requirements, Canadian officials are trying to reach a consensus between manufacturers and consumers. That process, says Health Canada's Cleary, could take up to two years. Meanwhile, Cleary advises consumers to pressure manufacturers to put more information on labels. "Consumer demand," she says, "is the best catalyst." Low-phosphorus advocates might prefer a longer government stick.

SARAH DOYLE DRUGGER

## PEOPLE

### FAME'S PRICE

Briancapricorn can be messy and painful. Just ask the folks of Brampton, Ont., the town that is home to **Kim Basinger** ("basinger" in 1989 with his plans to turn it into a historic theme park. Many of the residents stand to lose their homes and their jobs if Basinger—who was born in nearby Atlanta, Ga.—cannot resolve a complicated lawsuit with a Hollywood studio and her subsequent bankruptcy petition. Without a resolution, her assets, including Brampton's turn-of-the-century houses and stores, must be sold to pay her creditors. Says **Tom Kleban**, 62, who has lived in Brampton all his life: "I say you move out. I got 30 days to find a place."

The problems began in 1990, when a Los Angeles jury ordered Basinger to pay **Bliss Lane Pictures Inc.** \$11 million after she bowed out of **Beauty and the Beast** (the lawsuit). Instead of paying the award, Basinger launched an appeal and set her bankruptcy motion. And although the star, who costarred **24** (which she plans, as well as talking about the lawsuit, court documents reveal she has done some serious bachelorette shopping, slaying her



Basinger (left) and husband, actor John, also Basinger, are both bachelorette shopping

monthly expenses from \$30,000 to \$40,000. In recent times, Basinger was used to spending \$9,000 a month for "pet care and other personal expenses" and \$3,000 a month on clothes. Taxes are tough

### STIRRING UP TROUBLE



David Jonsson

According to **David Jonsson**, writing on the top-ranked daytime soap **Melrose Place** is "a great gig." Starting this month, the Toronto-born actor will appear in four episodes as **Terri Henshaw**, a recovering alcoholic (Basinger star who was on trouble among the regular cast of characters, including **Heather Locklear** and **Courtney Thorne-Smith**). Winning such roles in Los Angeles, where he now lives, can be difficult. "I have had to lose a lot of my Canadianism," says Elliot. "There are words that Canadians use or pronounce differently—just not about." "They ask you that in an audition and you can get pipped right away." But the 36-year-old actor, who was a regular playing **Nick DeLuca** on the now-defunct **CBC drama Street Legal**, is used to the demand for a generic voice. "It happens in Canada, too," he says. "It's just a factor of the business. If you listen real hard, you'll notice that, unless it's in the script, no one has identifiable accents." Why

is good about "She said 'Kenna' is really into this and we are all working together to make this a success. There is some of that 'star vibe' coming from him. Just like the new at us, he is another actor, working his craft." And even though many filmmakers in the sold-out audience may be Basinger's fans, Repo-Martell says his on-symbol status is unlikely to disrupt the play. "I think that Kenna's fans know how important this is to him," says the 33-year-old Toronto-based actress. "I don't think we will see a bunch of screaming fans."

## 'SCARY' SHAKESPEARE

Live theatre can be intimidating. Shakespeare can be challenging. Putting the two together and adding movie star **Kenna Reeves** in the lead role can be downright scary. Says actress **Lisa Repo-Martell**, Repo-Martell plays Ophelia opposite Reeves—the star of last summer's first actual musical **Spamalot**—in the **Montreal Theatre Centre's** production of **Hamlet**, opening this week in Winnipeg. While international attention from the media and Reeves's fans have put the spotlight on the production, Repo-Martell says the cast and crew have one thing in mind—



Repo-Martell as 'star' Ophelia

is good about "She said 'Kenna' is really into this and we are all working together to make this a success. There is some of that 'star vibe' coming from him. Just like the new at us, he is another actor, working his craft." And even though many filmmakers in the sold-out audience may be Basinger's fans, Repo-Martell says his on-symbol status is unlikely to disrupt the play. "I think that Kenna's fans know how important this is to him," says the 33-year-old Toronto-based actress. "I don't think we will see a bunch of screaming fans."

Edited by BARBARA WICKENS

Poster (left), Basinger, 'bachelorette' and crew

MONTREAL/JANUARY 16, 1995 53

# The morality of bombs

*A Canadian historian touches raw nerves with a Second World War exhibit*

Fifty years ago, as Nazi Germany fought advancing Allied forces in Europe, and Imperial Japan battled defeat in the Pacific, "secret weapons" on both sides ensured that the closing stages of the Second World War would finally be its dying days for tens of thousands of civilians and many more warriors. The desperate use of the atomic bomb in Germany and the nuclear bomb designed in the United States spread death and terror. The postwar construction of those weapons played the world into an era of fear.

Now, as the winners of history's conflict war prepare anniversary observances of 1945, another form of conflict has arisen. On one side stand people, often veterans and other survivors, who look back on that year's events as a triumph of arms and sacrifice for freedom and humanity. On the other are those, often younger, who view the war years as an example of racial animosity and a warning. And in Washington, that quarrel has come into sharper focus for Canadian historian Michael Neufeld, the curator of a disputed exhibition he is organizing for the Smithsonian Institution, *The Lost Art: The Atomic Bomb and the End of World War II*.

For Edmonton-born Neufeld, 45, a specialist in modern German history and rocketry who joined the Smithsonian's National Air and Space Museum in 1986, the development of atomic weapons and the atomic bomb during the war were "truly revolutionary" events that revolutionized world history. Successors of the German V-2 missile and the atomic bomb, he writes in a newly published book, "have threatened as the 50 years with nearly unlimited atomic nuclear destruction, and will continue to do so, despite the end of the Cold War." As such, his original 1984 outline for the museum exhibit, which opens in May for eight months, proposed to address "the significance, necessity and morality of the atomic bombings of Hiroshima and Nagasaki" in August, 1945. "The question of whether it was necessary and right to drop the bombs," he wrote, "continues to perplex us."

That is a question enough now among scholars, if usually questioning for a largely popular center that celebrates achievements in flight and will build its atomic exhibition around the front hall of the 10-building Trade Gap, the 825 Superstructure building that delivered the bomb to Hiroshima. On the same subject in *The Growth of the American Atom*, a two-volume book last, co-author Samuel S. Morison asks whether the United States should have used "its most terrible of weapons," and not once but twice. "That is a question men will ask for a hundred years, if the atomic weapon allows mankind

another hundred years." But when an exhibit script released by the museum last summer raised the same questions, war veterans, editors and members of Congress protested against a project that some of them denounced as "un-American."

The criticism got personal: A September article in *The Washington Post* questioned Neufeld's credentials as "a Canadian citizen who spent his undergraduate years at the University of Calgary between 1970 and 1973, when American war refugees in Canada to escape the Vietnam War." Exhibit manager Tom Crouch's primary involvement with the war era, the article said, was as curator at another Smithsonian museum of a 1955 project on the internment of Japanese-Americans.

In some respects, the American debate over the atomic end of the Pacific war echoed a Canadian debate governed by CMC television's series on the Second World War produced by brothers Brian and Thomas McKenna. In particular, a segment of the series questioning the need for and humanity of mass bombing raids on German cities provoked a Senate inquiry, criticism by CMC ombudsman William Morgan and a denunciation not launched by Canadian air force veterans, in

Washington, the movie exhibit came under attack months before its opening. Few within as well as from outside the Smithsonian, "Many of the critics were right," says Smithsonian secretary Michael Heyman, whose 10 live-action museum and galleries, like the CMC, depend partly on public funding.

Neufeld and fellow organizers revised the script. They toned down an original emphasis on the destruction of Hiroshima on Aug. 6, 1945,



**Ground crew of the Enola Gay in 1945: workers setting up the bomber of the Smithsonian (left) division for the killed ship (below) was if necessary to drop the bombs to end the war?**

and Nagasaki three days later (Japan surrendered on Aug. 16). Of death tolls estimated at least 300,000, and at least as many more dying later of wounds and radiation sickness, Neufeld estimates still very widely, the museum reported in a pre-October statement that "occasionally letters or repetitive photographs and text have been removed from the exhibition."

The organizers also erased a disputed observation that most Americans regarded the atomic act at the time as "a war of retribution" for Japan's assault and war attacks on Pearl Harbor, Hawaii, on Dec. 7, 1941, which provoked the U.S. declaration of war, while "the atomic Japanese it was a war to defend their unique culture against Western imperialism." And in conformance with a claim by veterans, the exhibition vastly increased the estimated risk of invading Japan instead of bombing it into submission, a justification used at the time. In the exhibit, potential American casualties in the last 30 days of an invasion went up from 30,000 to an essay as one million, both figures derived from military estimates in 1945 and since.

The retreat by air and space officials, who rate their massive

Washington Mall building the world's most visited museum (more than eight million visitors a year), provoked counter-protests by historians. A group of 40 scholars delivered a letter in November to museum director Martin Horvitz charging that the revision distorted history and corrupted the exhibition. Museum spokesman Michael Peters, however, said at the time "We recognize that it is highly unlikely that we will satisfy everyone completely, and we're certainly alive where we are."

But that attempt to call a truce failed to suppress a debate that, until recently, had rarely surfaced among scholars. As if on cue on Dec. 7, the 50th anniversary of the Pearl Harbor attack, White House officials conveyed a presidential request to U.S. Postmaster General Marvin Raygor to rethink plans for a 1995 commemorative stamp featuring a nuclear mushroom cloud and the words "Atomic Bomb: Japan's War's End, August, 1945." Japan's war with U.S. trading partner—had protested. Dee Dee Myers, then the White House press secretary, said she was sure the post office understood "the sensitivity of the issue."

The postmaster promptly killed the stamp project. Scholars and media commentators joined the debate. Against those who claimed that nothing short of the nuclear weapon could have convinced the flightless-bombing Tokyo military and their suicidal kamikaze warriors to quit, others cited Japan's rejection against an ending Allied army. Following the end of the European war on May 8, 1945, Soviet, British, Canadian and other forces had moved toward the Pacific areas to join the war against Japan.

Costly and in both ways, the war that factors after then considered weighed so heavily on President Harry Truman's decision to use the bomb three weeks after the successful detonation of a prototype in the New Mexico desert. Among those considerations: a belief that demoralization of atomic power would cause the Soviet Union "to be more reasonable" after the war. Compounding that theory, U.S. intelligence officers believed a team of German scientists had fled from the V-2 project leader, Werner von Braun, to develop an improved missile delivery system in New Mexico, where the bomb had been tested only weeks before.

As the debate raged, Neufeld admitted. He declined to talk to *Maclean's*, saying that "This matter offers—all questions about this exhibit are to public relations." He and other public relations staff a position long after his Columbia University, 1970, and a master's and doctorate (1984) from Johns Hopkins in Baltimore, Md., all in German history. Neufeld taught history at three New York universities. He turned to research on von Braun and the German rocket program at the air and space museum. That study, he writes in his new book, *The Rocket and the Bomb* (The New Press, 300 pages), renewed an enthusiasm when "I lived and breathed space flight as a teenager in the 1950s."

In his book, Neufeld traces the development of the super-sonic V-2 from Nazi scientists in the early 1930s through the program's completion under the Nazi regime and its employment of slave prisoners. Thousands of slaves died or were executed for subversion in the frantic research of the war. He estimates that about 3,000 V-2s (V for Verrückte, or mad, or vengeance) were launched against London and the Belgian port of Antwerp between September, 1944, and March, 1945, killed perhaps 6,000 people. But on estimated 1944 German prisoners and German doctors died in the missile's production, the same that von Braun himself, later the father of the U.S. space program, "made a pact with the devil in order to build large rockets."

Neufeld cites as acknowledgment of that attitude from von Braun as "a depressingly frank statement: common sense among inventors, engineers and scientists in the modern era." The moral questions raised by the bomb and other war weapons no longer have a significant place in his exhibition on war's end. But they remain ever-ready to be raised to celebrate victories that, however urgently necessary they appeared at the time, left the world a more dangerous place. As U.S. Gen Douglas MacArthur warned in reference to the deadly power of nuclear arms after accepting Japan's surrender 50 years ago, unless the world devised a "practicable system of resolving disputes, 'Armageddon' will be at our door." □

**REPORT FROM WASHINGTON**

BY CARL MOLLINS



Smithsonian Institution's war end August 1945



National pride: providing the perfect antidote for disillusioned NHL fans

## Still good as gold

It was the eve of what turned out to be the decisive game of the World Junior Hockey Championship in Alberta. The Russians had just beaten the highly touted Swedes and looked like they could still challenge Canada for gold—reasserting a rivalry that stretches as far back to the dawn of international hockey. “The Russians are still the Russians—we still remember the Paul Henderson goal [in the 1972 series],” said defenceman Justin Brzezinski. “Well, no,” blushed the 23-year-old. “I wasn’t around that. But I’ve seen the tapes. And it still gives you a special feeling.”

Canada’s junior team was composed of kids, after all. 27- to 29-year-olds infused with hockey enthusiasm but still dreaming of their role in the game’s future. And although the Russia-Canada game did not live up to its billing—the Russians lost their third draw to seven penalties and left 8-5 in the clearly dominant home town—the Canadians exceeded almost great expectations throughout the tournament campaign. Not only did they wrap up the country’s third straight gold medal after beating the Russians, but, playing for glory, they went on to whip the Swedes to sweep all seven games in a round-robin final. At the same time, the world’s most enthusiastic and disenchanted breed of hockey was the perfect antidote for fans disillusioned by declining national players and owners in the lock-outed National Hockey League.

The fate of this year’s NHL season remained in flux for all Saturday, although some observers still held out hope for last-ditch negotiations before the Jan. 26 deadline imposed by NHL commissioner Gary Bettman. Regardless

of the outcome, however, the NHL may already have lost at least a few fans. “I don’t care if they ever go back,” said Mark Oshen, a 31-year-old Chicago agent who attended the Canadian players’ final game against Sweden in Red Deer. “Nobody’s watching this kind of money the players are making, and the owners are making too much too.” Oshen said he is in a conversation with junior hockey—the “broads of kids who are not there just to play the game.”

The NHL lockout did benefit the junior championships. Most of the games were played be-

cause of strikes, Canada used to send club teams to battle the national teams in Europe—with poor results. But in 1992, Canadian Hockey started a Program of Excellence to begin identifying and training players as young as 16 for the national teams. That program spawned the granddaddy summer training camp. “And it develops leadership,” said defenceman Brzezinski. “It teaches you to play for the millions on the front—not the name on the back.” The program helped bring three goals to Canada in the 1986s and has now produced five gold-medal-winning teams in the past seven years.

The tournament, meanwhile, is expected to boost the careers of individual players. Murray’s performance may help him overcome his size (a diminutive five feet, nine inches) to earn a slot on the Calgary Flames roster. And an underdog forward, Jason Gauthier of Quebec’s Rimouski Harfangs, made a name for himself by scoring eight goals, tying for tops in the tournament. Meanwhile, the solid play of 27-year-old defenceman Wade Robson should boost his chances of becoming the number 1 pick in the NHL draft in June. The league may have a crop of rookie soldiers by July. “We thought about it,” Robson grinned. “But even with a salary cap, there’s going to be a lot of money around.” Mind you, he added, “if the game doesn’t get started pretty soon, there won’t be a crop in June.” After a lousy year full of victories, uncompensated hockey, it is to this tournament world that the junior’s veterans, and hockey fans, now return.

MARY MURPHY in Red Deer

ing the lockout, but has already signed a four-year, \$2.5-million contract with the NHL’s Washington Capitals.

Hay got much of the credit for forging a cohesive team out of amateur senior, junior, university and unknown talent. A lecturer from Kamloops, B.C., he took a leave of absence to coach the Kamloops Blazers, and is credited on NHL coaching prospect. He already handles about eight to 10 “boys” and “team discipline” as well as on-ice play. But Hay actually appears to have made these principles stick. Although Team Canada played 15 physical games, it earned fewer penalties than any other team. “Our guys would rather stick it up, like a hit, or a slash and go on the power play,” Hay boasted after beating the Russians. That disciplined play contrasted sharply with the 1987 showing in Czechoslovakia, where the Canadian team was expected from the world championships after a bench-clearing brawl with the Russians.

Although Hay’s team was the first to so thoroughly dominate the world championships, the Canadians have been off on many previous attempts. Canada used to send club teams to battle the national teams in Europe—with poor results. But in 1992, Canadian Hockey started a Program of Excellence to begin identifying and training players as young as 16 for the national teams. That program spawned the granddaddy summer training camp. “And it develops leadership,” said defenceman Brzezinski. “It teaches you to play for the millions on the front—not the name on the back.” The program helped bring three goals to Canada in the 1986s and has now produced five gold-medal-winning teams in the past seven years.

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## The most bizarre play in football

BY TRENT FRAYNE

Don Sabino wants guys who make their cages, not who, as they used to say in Hamilton, “are too nice.” Don is the newest Tiger-Cats coach, and for these next seasons he doesn’t want some fussy Don of a quarterback, a drop-back passer, he wants a guy who can throw, or catch, and can run back, too. “On a 65-yard field you don’t want a guy in the pocket. He’s got to be tough.” Don grinds the word. Then, after a thoughtful pause, he says what’s also on his mind. “I’m not looking to knock a guy down. He’s looking to knock him out.”

Back in the 1960s when the Tiger-Cats counted nearly everybody, Don was there, an altar defender back and the team’s kicker played a key role in one of the most epic battles and certainly the most bizarre plays in the history of the Canadian Football League. Now, he’s the head man, moved up from assistant coach early last autumn when the team was terrible and the incumbent, John Gregory, couldn’t get it straightened out.

Don didn’t do much better. “We had 11, something like that,” he says dispassionately. But he hasn’t been improving. “We lost eight games by a total of 55 points,” he groans. “It was a very tough year. The loss coming 14 years and this was one of the toughest.”

Strangely, though, the team began to put people into the seats after years of empty seats. Last, last, last, but the crowd in autumn drew 19,000 fans for a total of 33 points. He groans. “It was a very tough year. The loss coming 14 years and this was one of the toughest.”

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of students and with several others backing the quarterback. “The Toronto Titans love the CFB. It’s the reason to watch next season,” Don Sabino has all of this in perspective. “I think at the end of this year’s season could we were getting better,” he says. “We had 17 first-year players, seven second-year, four third-year. The thing I liked was that the players accepted the problems, they were willing to learn. A lot of teams would have folded. By our last game, against Saskatchewan, there were 35,000 people there.”

It’s a guy in his mid-50s from Ohio who played a year for the Giants and a year for the Browns in the NFL, then Hamilton and Ottawa in the CFB, and then worked as an assistant coach in Ottawa, Edmonton and Calgary. In this past season, his first in Hamilton, the team’s late record followed as many dry years that the franchise had become an endangered species. The survival remained Don of the 1960s when he played under the legendary Bill Belichick in the Browns. There would be good rallies in the Boys’ Comradeship Hall, hundreds of fans and all the players. “We had to be quiet,” Don says. “But we needed to be there.” And the Tiger-Cats were damned near unbeatatable. They finished first in the CFL’s Eastern Conference

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the Gray Cup final since 1963 and 1965, went to the Super Cup final since 1980 years and twice won what was then called “the championship of champions” or occasionally “Lard Grey’s battered old shaving pot” (the scribbles were nicely inscribed back then).

It was during one of these late seasons that the wordless play in Hamilton, north of the border at south, transpired in four plays. It was 1961, a two-game total against Eastern 8-0 in which the Toronto Argonauts, with the celebrated Tabor Kato, late of the Detroit Lions and the Green Bay Packers, at quarterback, whipped the Tiger-Cats by 25-7 in the first game, thereby taking an 18-point advantage into the concluding showdown.

Almost from the beginning of the second game, Hamilton was in command, smothering the Argonauts to two nearly points acquired on the powerful punting of Dave Mann, and the CFL’s strongest leg (and a mighty punter right next to him). Meanwhile, the Tiger-Cats had piled up 20 points to level the total two-game score at 27-27. Nonetheless, with only slightly more than one minute to play, the Argonauts got a break when, at the Hamilton 35-yard line, Hamilton’s Dave Wilson intercepted a pass by Bernie Paloney, the barest trace of his highly successful quarterback (Jim Trimble, his coach, used to say of Paloney: “Bernie can’t run, he can’t kick and he can’t pass. All Bernie can do is beat you”). So all the Argonauts had to do was snap the ball to Dave Mann, the best kicker in the game, and he could hold a single for the game-winning point.

“I thought Dave would drive the damn ball out of the stadium,” Don Sabino reflected the other afternoon, looking back 30 seasons. But the Argonauts decided to run down Sabino’s team. They tried a rushing play and were offside. Now the ball was on the Hamilton 40. They tried another and were stopped. So was late on a keeper. Now they had to kick, and, for Hamilton, Don Sabino and Bernie Paloney went into their own case, Hamilton’s kick was good.

“I caught it 18 yards deep and booted it back,” Don remembers. “Mann caught it and kicked it back in. Bernie caught it and went 120 yards for a touchdown.”

Beast, while Paloney was on route, various Hamilton players also blocked various Toronto players (despite the officials ruled no touchdowns. And since time had run out, the times was still tied).

All the Tiger-Cats did in overtime was score four assumed touchdowns. They won the game by 14-14.

“A lot of these guys are still here,” Don says. “Paloney’s here, Angelo Moccia’s here, Elmer Kelly’s here. John Barrow went back to Texas for a while but he’s coming back. Let all of other guys who came up here are still here.” Tommy Joe Kelly, Bernie Robson, Dave Mann, Bill Belichick.

“They are the kind of cup-winning players. Don wants for the 1995 Tiger-Cats. I want to keep them around. Say a house, rent a house, get a job. That’s what I want.”

Don Sabino

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## Downhill all the way

BY ALLAN FOTHERINGHAM

Several years back, the wife—not a native British Columbian—of a friend expressed great relief when they decided to move back east to the Rockies. "All the time I lived in Vancouver," she explained, "I felt I was in the middle of a beer commercial."

The water, the mountains, the salubrious climate, the dynamic lifestyle—all was too much for her Presbyterian soul and she blissfully fled elsewhere, to colder real winters and rubber boots.

It is good that the dear girl had not to suffer further by enduring a Christmas visit to Whistler, the ski and snow resort that is 90 minutes north of Vancouver as the Ford Bronco flies. They don't even know how to spell recreation there. This is not a beer commercial. This is a champagne cocktail, with danger and goggles.

Whistler in 1985 is typified by the guy spotted on the lift headed to the longest alpine run in North America if not the universe. The four-body high-speed chair lift has not only a fast run but a soft plastic cover that lowers and shields the poor darlings from the falling snow flakes. The only things missing are windbreakers. Next year.

The guy being lifted skyward is telling us his cellular phone. He comes for a relaxing holiday and he's phoning his broker to sell 10,000. No wonder she moved east.

The Christmas Whistler, with its copper roof, is sort of a Microcosm imitation of what the great CNR railway built in Banff and Jasper and Sault Ste. Marie and Quebec City made famous. The lobby would accommodate the Taj Mahal. A heated pool outside the bar criss crosses and oozes in balconies who enjoy the view from their spacious beds to a stupor if possible.

In the lobby, large dogs wool and bark, drowning out the piano music. Only the rich bring dogs to a ski holiday.

One of Perry Treadwell's sons is spending the Whistler winter as a ski bum. The Great Man himself also has made winters. Jean Chrétien is so smart an armer to be seen on



these slopes, which would incredibly destroy him carefully crafted image as a little boy from Shawanigan with modest means and fast buses.

The reason he got elected was that he was photographed water-skiing—wasn't he? It does not count a dime to ski. It costs at most \$50 a day thanks to 1987 to buy a Whistler lift ticket. The guy is not dumb. He avoids like a plague the place where voters who look like Warren Beatty have taken a few never to return sandoloes.

Hugh Smythe is a handsome devil who as a New Westminister high school student came here as a lift assistant and forgot to leave and now runs Blackcomb Mountain, the slope of choice beside its chocolate pond companion, Whistler Mountain. The leading American ski magazine has just named the two-mountain resort, for the third straight year, the best ski destination in North

America. Chubs and pizzas are taken into account, not to mention the media buzz.

Smythe explains that skiing is recession-proof, since it is an upper-middle-class sport. (That's why Christmas stays away.) These days he spends half his time flying to Mont Tremblant north of Montreal. In northwest Coquitlam of Vancouver, which owns Blackcomb, it's now doing to the Quebec resort what it did for Whistler.

What that means is that in Christmas's high in the sky over the Blackcomb peak, along with white telecables and crystal and cadence, there is a daily called garb and roared heli, followed with cars-breasted systems. That would be after they come swooping down from a run on the glacier, which is open for skiing through July and August, thanks to Jean-Claude Kelly and his helicopters.

On his way to Mont Tremblant, Smythe stopped off at Stratton Mountain in Vermont, which is now open as well as Picochamps in the Rockies near Alberta. The brand-name here opened in 1986 to push two more American resorts, probably in California and Colorado, and get a leg up on a U.S. stock exchange. Stay away, Jean.

There is little snow in Switzerland and Austria this winter. World Cup events are being cancelled and moved. Steve Podhorszki is now a permanent barman at Whistler, even though he has been snowed by the best snow in 35 years.

The snow business at the bottom of the lift, near 10,000 on their backs, even before they break their legs. You need a crevasse in get up. Upsher's manual, or be a relative. The New York Times is there every morning in the Christmas Whistler, 10-30 sharp—about the time the dogs start to wool.

On the beachside above, the condos march upward, year upon year, outdoor Jacuzzis steaming in the sun, 1000s parked the point outside. The old law is slow, 60-65-put on your boards on the front stage and at day's end, the garb having done its work, glide right to your door.

It is somewhat removed from the writers office in St. John's, the frozen pond in Saskatchewan that produced Garth Howe, the saddest town in Toronto due protest party and bourgeoisie, the disoriented swirl of servants outside Christmas's after who are at the Xerox machine, duplicating narrows demonstrating that most Canadians asked about Quebec independence are they would rather go fishing.

I'm glad my dear old friend east of the Rockies has never seen Whistler. She would absolutely love it.

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Michelle Wright



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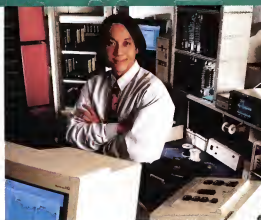
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